



## REFRESCO GERBER N.V.

a public company with limited liability (*naamloze vennootschap*) incorporated in the Netherlands  
with its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands

### Public offering of up to 44,416,416 ordinary shares and admission to listing and trading on Euronext Amsterdam

This prospectus (the “**Prospectus**”) relates to the initial public offering (the “**Offering**”) and listing of ordinary shares, with a nominal value of EUR0.12 each, in the capital of Refresco Gerber N.V. (the “**Company**” or “**Refresco Gerber**”). The Company is offering for subscription newly issued ordinary shares in the capital of the Company (the “**New Offer Shares**”), aimed at gross proceeds of approximately EUR100 million, and Ferskur Holding 1 B.V., Tamoa Limited, 3i GC Holdings Ref 2 S.à r.l., 3i GC Holdings Ref 1 S.à r.l., Okil Holding B.V. and Godetia II B.V. (collectively, the “**Selling Shareholders**”), are offering up to 30,930,662 existing ordinary shares in the capital of the Company (the “**Existing Offer Shares**”), and together with the New Offer Shares and, unless the context indicates otherwise, the Additional Shares (as defined below), the “**Offer Shares**”). Assuming no exercise of the Over-allotment Option (as defined below), the Offer Shares will constitute not more than 47.1% of the issued and outstanding ordinary shares in the capital of the Company (the “**Shares**”).

The Offering consists of (a) a public offering to institutional and retail investors in the Netherlands, and (b) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being: (i) sold within the United States solely to persons reasonably believed to be “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 thereunder and applicable state securities laws; and (ii) offered and sold outside the United States to investors in compliance with Regulation S under the US Securities Act (“**Regulation S**”).

Prior to the Offering, there has been no public market for the Shares. Application has been made to admit all the Shares to listing and trading on Euronext Amsterdam (“**Euronext Amsterdam**”), a regulated market operated by Euronext Amsterdam N.V., under the symbol “RFRG”. Subject to acceleration or extension of the timetable for the Offering, trading on an “as-if-and-when-issued/delivered” basis in the Shares on Euronext Amsterdam is expected to commence on or about 27 March 2015 (the “**First Trading Date**”).

**Investing in the Shares involves certain risks. See “Risk Factors” for a description of the risk factors one should carefully consider before investing in the Shares.**

### Price of the Offer Shares (the “**Offer Price**”): expected to be between EUR13 and EUR16 (inclusive) per Offer Share (the “**Offer Price Range**”)

The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares will be determined at the end of the offer period as described herein (the “**Offer Period**”), and after taking into account the conditions described in “**Offering**”. The Offer Period will commence on 17 March 2015 at 9:00 Central European Time (CET) and is expected to end on or about 26 March 2015 at 13:00 CET, subject to acceleration or extension of the timetable for the Offering and as set out below for the Preferential Retail Allocation (as defined herein). Prior to allocation of the Offer Shares (“**Allocation**”), the maximum number of Offer Shares can be increased or decreased and the Offer Price Range can be changed. Any increase in the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. Any such change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release on the Company’s website. The Offer Price and the exact number of Offer Shares will be set out in a pricing statement (the “**Pricing Statement**”) that will be filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”) and published in a press release on the Company’s website. Printed copies of the Pricing Statement will be made available at the registered office of the Company.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the “**Preferential Retail Allocation**”). Each eligible retail investor in the Netherlands (each a “**Dutch Retail Investor**”) will be allocated the first 250 (or fewer) Offer Shares for which such investor applies, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-allotment Option (as defined below), the preferential allocation to each Dutch Retail Investor may take place *pro rata* to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares that they apply for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 17 March 2015 at 9:00 CET and ending on 25 March 2015 at 17:30 CET through financial intermediaries.

The Selling Shareholders have granted J.P. Morgan Securities plc and Credit Suisse Securities (Europe) Limited (together, the “**Joint Global Coordinators**”), on behalf of the Underwriters (as defined herein), an option (the “**Over-allotment Option**”), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require some of the Selling Shareholders to sell to the Underwriters at the Offer Price up to 5,793,446 additional Shares, comprising up to 15% of the total number of Offer Shares issued and sold in the Offering (before any utilisation of the Over-allotment Option) (the “**Additional Shares**”) (on a *pro rata* basis to the Existing Offer Shares offered by those Selling Shareholders, subject to a cap for Okil Holding B.V. whereby it will not sell more than one-third of its Shares in the Offering), to cover short positions resulting from over-allotments in connection with the Offering, if any. Assuming the Over-allotment Option is fully exercised, the Offer Shares will constitute up to 54.2% of the issued and outstanding Shares.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The 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 effective registration statement under the US Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Offer Shares will only be sold in the United States to persons reasonably believed to be QIBs in reliance on Rule 144A and applicable state securities laws, and outside the United States to investors in “offshore transactions” within the meaning of Regulation S under the US Securities Act. Each purchaser of the Shares offered hereby, in making a purchase, will be deemed to have made certain acknowledgements, representations and agreements as set out in “**Selling Restrictions**” and “**Transfer Restrictions**”. Prospective investors in the Shares should carefully read “**Selling Restrictions**” and “**Transfer Restrictions**”.

Subject to the acceleration or extension of the timetable for the Offering, delivery of the Offer Shares is expected to take place on or about 31 March 2015 (the “**Settlement Date**”) through the book-entry systems of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. trading as Euroclear Nederland (“**Euroclear Nederland**”), in accordance with its normal settlement procedures applicable to equity securities and against payment for the Offer Shares in immediately available funds.

If the closing of the Offering does not take place on the Settlement Date or at all, the Offering may be withdrawn, in which case all applications to purchase the Offer Shares will be disregarded, any allocations made will be deemed not to have been made and any payments made will be returned without interest or other compensation and transactions in the Shares on Euronext Amsterdam may be annulled. All dealings prior to settlement and delivery of the Shares are at the sole risk of the parties concerned. The Underwriters, the Company, the Selling Shareholders, the Listing and Paying Agent (as defined herein) and Euronext Amsterdam N.V. do not accept any responsibility or liability with respect to any person as a result of a withdrawal of the Offering or the related annulment of any transaction in Shares on Euronext Amsterdam. For more information regarding the conditions to the Offering and the consequences of any termination or withdrawal of the Offering, see “**Offering**”.

This Prospectus constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of the European Union as amended, including by Directive 2010/73/EU (the “**Prospectus Directive**”), and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the “**Dutch Financial Supervision Act**”). This Prospectus has been approved by and filed with the AFM.

### Joint Global Coordinators and Joint Bookrunners

J.P. Morgan

Credit Suisse

### Joint Bookrunners

ABN AMRO

HSBC

### Joint Lead Managers

Rabobank

Société Générale Corporate and Investment Banking

This Prospectus is dated 17 March 2015.



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## 1. SUMMARY

This Summary is 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 securities 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 with the mention of “not applicable”.

### SECTION A – INTRODUCTION AND WARNINGS

#### A.1 Introduction and warnings

This summary should be read as an introduction to the prospectus (the “**Prospectus**”) relating to the offering (the “**Offering**”) by Refresco Gerber N.V. (the “**Company**”) of newly issued ordinary shares in the capital of the Company (the “**New Offer Shares**”), aimed at gross proceeds of approximately EUR100 million, and by Ferskur Holding 1 B.V., Tamoia Limited, 3i GC Holdings Ref 2 S.à r.l., 3i GC Holdings Ref 1 S.à r.l., Okil Holding B.V. and Godetia II B.V. (collectively, the “**Selling Shareholders**”) of up to 30,930,662 existing ordinary shares (the “**Existing Offer Shares**”, and together with the New Offer Shares and, unless the context indicates otherwise, the Additional Shares (as defined below), the “**Offer Shares**”), and the admission to listing and trading of the ordinary shares, with a nominal value of EUR0.12 each, in the capital of the Company (the “**Shares**”) on Euronext Amsterdam (“**Euronext Amsterdam**”), a regulated market operated by Euronext Amsterdam N.V. Any decision to invest in the Offer Shares or the Company should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the Economic European Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares or the Company.<sup>1</sup>

#### A.2 Subsequent resale or final placement of securities by financial intermediaries

Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placement of Offer Shares by financial intermediaries.

<sup>1</sup> In this summary, all references to the “Company” or the “Group” are to Refresco Gerber N.V. and, as the context requires, any or all of its subsidiaries, taken as a whole.



## SECTION B – ISSUER

|     |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B.1 | Legal and commercial name                                      | At the date of the Prospectus, the Company is still a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) named Refresco Gerber B.V. The Company will be renamed Refresco Gerber N.V. on or about 31 March 2015 (the “ <b>Settlement Date</b> ”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| B.2 | Domicile, legal form, legislation and country of incorporation | At the date of the Prospectus, the Company is a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of and domiciled in the Netherlands. The Company will be converted into a public company with limited liability ( <i>naamloze vennootschap</i> ) on or about the Settlement Date. The Company has its corporate seat ( <i>statutaire zetel</i> ) in Rotterdam, the Netherlands.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| B.3 | Current operations and principal activities                    | <p>The Company is the leading manufacturer of private label soft drinks for retailers in Europe in terms of volume. In Europe, it is also the leading co-packing manufacturer of soft drinks for A-brand owners. The Company also manufactures and sells speciality soft drinks products on a small scale under its own brands.</p> <p>The Company has operations in the Western European market. Its key countries/regions are the Benelux<sup>2</sup>, Germany, France, the UK, Iberia<sup>3</sup> and Italy. The Company also has operations in Poland and Finland. The Company operates 27 production facilities across nine countries with a total of 159 production lines.</p> <p>The Company manufactures a broad portfolio of products for its private label and co-packing customers. The Company’s portfolio comprises CSDs, bottled water, fruit and vegetable juice, sports and energy drinks, still drinks (including ready-to-drink tea) and dilutables. The Company offers a range of packaging types and sizes.</p> <p>Since 1999, the Company has acquired and consolidated 15 companies, some of which have a long history in soft drinks manufacturing dating back to the mid-nineteenth century. In 2012, the Company acquired Taja, a Polish private label manufacturer of CSD and bottled water. In 2013, the Company combined its business with Gerber, the group of companies previously headed by Pride Foods Ltd, by way of an issuance of new shares against contribution in kind.</p> <p>In 2014, the Company sold approximately 6.0 billion litres of soft drinks. The Company’s consolidated revenue for the year ended 31 December 2014 was approximately EUR2,037 million and the Company’s profit was EUR38.7 million.</p> <p>The soft drinks market can be divided into six main product categories:</p> <p><i>CSD</i> – Carbonated soft drinks or “CSDs”, which are soft drinks into which carbon dioxide gas has been dissolved. CSD excludes carbonated bottled water and still drinks such as ready-to-drink tea.</p> |

<sup>2</sup> Benelux comprises the Netherlands and Belgium.

<sup>3</sup> Iberia comprises Spain and Portugal.

*Bottled water* – Bottled water comprises still and sparkling bottled water, including flavoured and functional water. Flavoured water typically contains a very limited quantity of fruit juice or essence (amounting to approximately 1g per litre). Functional water is water which has been fortified or enhanced with nutrients, vitamins, oxygen or herbs.

*Fruit and vegetable juice* – Fruit and vegetable juice comprises juice not from concentrate, and juice reconstituted from frozen concentrate, and nectars. Nectars are produced using a base of concentrated juice or a pasteurised purée of fruit pulp, to which sugar and water can be added, and contain 25% to 99% juice.

*Sports and energy drinks* – Sports drinks (including isotonic, hypotonic and hypertonic sports drinks) usually depend on the provision of fluids, carbohydrates or both. Energy drinks are designed to boost energy levels and usually contain high levels of caffeine and taurine.

*Still drinks* – Still drinks comprise still juice drinks, juice-flavoured drinks and ready-to-drink tea (including carbonated). Still juice drinks are made with fresh juice or concentrate and do not exceed a 24% juice content.

*Dilutables* – Dilutables comprise concentrates, syrups and squashes. They must be diluted with water before consumption.

Soft drinks can be categorised as either private label or branded. Private label products are products which are sold by a retailer under its own brand name, such as “Aldi’s River Cola” sold by Aldi. Branded products are products sold under a brand name not related to the distribution channel, such as “Coca-Cola”. Unlike private label products, branded products are typically promoted through advertising and promotional campaigns to raise brand awareness and loyalty.

Below is a summary of the main competitive strengths of the Company and, as the context requires, any and all of its subsidiaries, taken as a whole (together, the “**Group**”), which the Company believes will continue to sustain and strengthen its position as a market leader:

- Winning business model, focusing on leadership in private label and co-packing, provides structural competitive advantages.
- Clear cost benefits resulting from being a leading pan-European independent bottler, with market-leading positions.
- Full spectrum of product and packaging offerings across its pan-European platform provides stability through diversification.
- Solid foundation for the future based on longstanding customer relationships and a reputation as a preferred supplier for retailers in Europe and an attractive partner for A-brand owners.
- Differentiated innovation capabilities support uniqueness of customer proposition and cost leadership.
- Track record of synergy realisation from acquisitions is evidence of the success of the continuing consolidation strategy.

|      |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B.4a | Most significant recent trends affecting the Company and industries in which it operates | <ul style="list-style-type: none"> <li>Committed and experienced management team widely recognised in the industry.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|      |                                                                                          | <p><i>Health and nutrition awareness</i> – End-consumer tendency towards healthier food and drinks has been a long-term trend. This trend drives new innovations and has caused an amalgamation of traditional segments, such as juices, into new concepts such as still drinks.</p> <p>Growing concerns around lifestyle-related diseases, including the increasing incidence of obesity in Western Europe, has led to a heightened level of health consciousness among end-consumers. This consciousness is amplified by a growing number of programmes to raise end-consumer awareness. As a result, consumption preferences are shifting towards soft drinks with no preservatives, lower calories and lower sugar content.</p> <p>End-consumers are also willing to pay for higher-priced drinks that are perceived as fresher (for example, freshly squeezed NFC juices) or that have additional nutritional benefits, for example, enriched nutritional drinks, such as vitamin-enhanced waters. In addition, there is an increasing preference for natural/organic products. Bottled water is expected to outgrow the overall soft drinks market as it benefits from this increasing health awareness.</p> <p><i>Time compression</i> – The convenience market is growing as end-consumers have increasingly busy lifestyles and consequently take less time for meals. Soft drinks are benefiting from this trend, both in volume and price-per-unit terms. Innovation into new product ranges and packaging formats to address the demand for convenience and portability, such as “on-the-go” packaging and single-serve portions, is expected to continue to drive growth.</p> <p><i>Budget constraints</i> – End-consumers in Europe have increasingly been looking for value-for-money product alternatives across the whole soft drinks spectrum. The more expensive categories of soft drinks have generally declined, although budget constraints are lifting as end-consumer confidence and incomes are rising.</p> <p><i>Sustainability</i> – Environmental issues, such as climate change, carbon emissions and recycling, as well as other ethical issues, such as fair-trade and organic products, are gaining ground on the end-consumer agenda. Manufacturers of soft drinks are increasing product offerings under new, more environment-friendly packaging formats and sustainable product labels.</p> |
| B.5  | Description of the Group and the Company’s position therein                              | <p>The Company is the holding company of the Group without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## B.6 Major Shareholders

The following table sets forth information with respect to the beneficial ownership of each Selling Shareholder as at the date of the Prospectus.

| Selling Shareholder                          | Amount of share capital owned                                                                        |                                           |
|----------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------|
|                                              | <i>Number/class of shares</i>                                                                        | <i>Percentage of issued share capital</i> |
| Ferskur Holding 1 B.V. <sup>(1)</sup>        | 268,000,000 class A ordinary shares<br>64,800 class A1A ordinary shares<br>1 class A2 ordinary share | 45.11%                                    |
| Tamoa Limited <sup>(2)</sup>                 | 163,381,597 class B ordinary shares<br>1 class B1 ordinary share                                     | 27.50%                                    |
| 3i GC Holdings Ref 2 S.à r.l. <sup>(3)</sup> | 64,001,000 class A ordinary shares<br>15,475 class A1B ordinary shares                               | 10.77%                                    |
| Okil Holding B.V. <sup>(4)</sup>             | 55,315,600 class A ordinary shares                                                                   | 9.31%                                     |
| 3i GC Holdings Ref 1 S.à r.l. <sup>(3)</sup> | 23,515,700 class A ordinary shares<br>5,686 A1B ordinary shares                                      | 3.96%                                     |
| Godetia II B.V. <sup>(5)</sup>               | 19,901,000 class A ordinary shares                                                                   | 3.35%                                     |

(1) Ferskur Holding 1 B.V. is owned and controlled by Kaupthing Hf., Stodir Hf. and EAB 1 ehf. in their capacity as shareholders of Ferskur Holding 1 B.V. Kaupthing Hf. indirectly holds the majority of the shares in EAB 1 ehf., but does not control EAB 1 ehf.

(2) Tamoa Limited is the previous owner of the Gerber business and received shares in the Company in connection with the combination between Gerber and Refresco. The ultimate parent company and controlling party of Tamoa Limited is Quadriga International Limited, a company incorporated in the British Virgin Islands, whose shares are assets of the Quadriga Trust (a discretionary trust, the trustee of which is GZ Trust Corporation Limited).

(3) 3i GC Holdings Ref 2 S.à r.l and 3i GC Holdings Ref 1 S.à r.l. are owned, directly or indirectly, by 3i Group plc, which is listed at the London Stock Exchange, and by various 3i investment entities, which are managed by 3i Investments plc, a subsidiary of 3i Group plc. 3i Investments plc is authorised and regulated in the UK by the Financial Conduct Authority. Their voting shareholding is as set out below.

| 3i GC Holdings Ref 1 S.à r.l. shareholding                           | 3i GC Holdings Ref 2 S.à r.l. shareholding |                       |
|----------------------------------------------------------------------|--------------------------------------------|-----------------------|
|                                                                      |                                            | <i>Shareholding %</i> |
| 3i Growth Capital B LP <sup>(b)</sup> owns 100% voting share capital | 3i Growth Capital A LP <sup>(a)</sup>      | 5.4697%               |
|                                                                      | 3i Growth Capital C LP <sup>(b)</sup>      | 50.0000%              |
|                                                                      | 3i Growth Capital G LP <sup>(a)</sup>      | 5.4697%               |
|                                                                      | 3i Growth 08-10 LP <sup>(a)</sup>          | 20.8137%              |
|                                                                      | 3i Growth (Europe) 08-10 LP <sup>(a)</sup> | 18.2469%              |
|                                                                      | Total                                      | 100.0000%             |

(a) “Internal” 3i Group owned and managed entities



- (b) “External” LP entity managed by 3i Investments plc, a subsidiary of 3i Group plc
- (4) The members of the Executive Board and management are the (direct or indirect) owners of this Selling Shareholder.
- (5) A former member of the Executive Board is the (direct or indirect) owner of this Selling Shareholder.

The table below presents information about the ownership of the Shares immediately prior to the Settlement Date (after giving effect to the amendment of the Company’s current articles of association which results, among other things, in all current classes of shares to be converted into Shares), as well as immediately after the Settlement Date, assuming full exercise of the Over-allotment Option (as defined below), and assuming an Offer Price (as defined below) at the mid-point of the Offer Price Range (as defined below).

| Selling Shareholder | Amount of Shares owned at Settlement after Conversion |                                    | Amount of Shares owned immediately after Settlement with full exercise of the Over-allotment Option |                                    |
|---------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------|
|                     | Number of Shares                                      | Percentage of issued share capital | Number of Shares                                                                                    | Percentage of issued share capital |
| Ferskur Holding     |                                                       |                                    |                                                                                                     |                                    |
| 1 B.V.              | 36,660,615                                            | 49.4%                              | 17,646,304                                                                                          | 21.7%                              |
| Tamoa Limited       | 20,422,700                                            | 27.5%                              | 9,830,309                                                                                           | 12.1%                              |
| 3i GC Holdings      |                                                       |                                    |                                                                                                     |                                    |
| Ref 2 S.à r.l.      | 8,325,609                                             | 11.2%                              | 4,851,242                                                                                           | 6.0%                               |
| Okil Holding        |                                                       |                                    |                                                                                                     |                                    |
| B.V.                | 4,262,760                                             | 5.7%                               | 2,841,840                                                                                           | 3.5%                               |
| 3i GC Holdings      |                                                       |                                    |                                                                                                     |                                    |
| Ref 1 S.à r.l.      | 3,059,057                                             | 4.1%                               | 1,782,479                                                                                           | 2.2%                               |
| Godetia II B.V.     | 1,533,622                                             | 2.1%                               | 738,197                                                                                             | 0.9%                               |

The A2 and B1 ordinary share will be redeemed against repayment of the nominal value (being EUR 0.01 per share). The classes A1A and A1B ordinary shares will be redeemed without any repayment. The holders of these classes of shares will be compensated for the cancellation through transfer of shares from the other shareholders.

**B.7** Selected key historical financial information

The selected consolidated financial information below refers to the Group as at and for the years ended 31 December 2014, 2013 and 2012, as derived from the annual financial statements included in the Prospectus beginning on page F-1, and should be read in conjunction with those financial statements, the accompanying notes thereto and the respective independent auditor’s reports thereon provided by Ernst & Young Accountants LLP (for the financial statements for the year ended 31 December 2014) and PricewaterhouseCoopers Accountants N.V. (for the financial statements for the years ended 31 December 2013 and 2012).

Due to the combination of the Company’s business with the business of Gerber, the group of companies previously headed by Pride Foods Ltd, which was completed on 11 November 2013, the audited consolidated financial information of the Group for any of the periods presented prior to 2014 does not comprise the results of operations of the entire business undertaking of the Group as it exists at the date of the Prospectus. Therefore, the comparability of the historical consolidated financial information over each of the periods presented prior to 2014 is limited.

## Selected consolidated income statement

(EUR millions)

|                                                                    | 2014           | 2013           | 2012           |
|--------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Revenue</b> .....                                               | <b>2,036.9</b> | <b>1,587.6</b> | <b>1,538.3</b> |
| Other income .....                                                 | —              | 0.3            | 0.5            |
| Raw materials and consumables used .....                           | (1,186.5)      | (971.8)        | (959.0)        |
| Employee benefits expense .....                                    | (226.8)        | (173.9)        | (150.3)        |
| Depreciation, amortisation and impairments .....                   | (87.8)         | (86.3)         | (73.4)         |
| Other operating expenses .....                                     | (429.0)        | (331.5)        | (319.9)        |
| <b>Operating profit</b> .....                                      | <b>106.8</b>   | <b>24.4</b>    | <b>36.2</b>    |
| Finance income .....                                               | 0.2            | 0.3            | 0.6            |
| Finance expense .....                                              | (49.6)         | (45.9)         | (48.4)         |
| <b>Net finance costs</b> .....                                     | <b>(49.4)</b>  | <b>(45.6)</b>  | <b>(47.8)</b>  |
| <b>Profit/(loss) before income tax</b> .....                       | <b>57.4</b>    | <b>(21.2)</b>  | <b>(11.6)</b>  |
| Income tax (expense) / benefit .....                               | (20.9)         | (7.6)          | (5.8)          |
| <b>Profit/(loss) for the year from continuing operations</b> ..... | <b>36.5</b>    | <b>(28.8)</b>  | <b>(17.4)</b>  |
| Profit/(loss) for the year from discontinued operations .....      | 2.2            | (0.1)          | —              |
| <b>Profit/(loss) for the year</b> .....                            | <b>38.7</b>    | <b>(28.9)</b>  | <b>(17.4)</b>  |
| <b>Profit/(loss) attributable to:</b>                              |                |                |                |
| Owners of the Company .....                                        | 38.6           | (28.4)         | (17.4)         |
| Non-controlling interest .....                                     | 0.1            | (0.5)          | —              |

# **Selected consolidated balance sheet**

(EUR millions)

|                                           | 2014           | 2013           | 2012           |
|-------------------------------------------|----------------|----------------|----------------|
| <b>Assets</b>                             |                |                |                |
| Property, plant and equipment             | 523.5          | 525.4          | 391.4          |
| Intangible assets                         | 428.4          | 422.8          | 298.2          |
| Other investments                         | 5.7            | 5.9            | 3.9            |
| Deferred income tax                       | 4.2            | 9.5            | 11.1           |
| <b>Total non-current assets</b>           | <b>961.8</b>   | <b>963.6</b>   | <b>704.6</b>   |
| Inventories                               | 189.3          | 214.2          | 149.7          |
| Derivative financial instruments          | 9.3            | 0.2            | 0.3            |
| Current income tax receivable             | 0.2            | 0.9            | 0.9            |
| Trade and other receivables               | 382.1          | 350.2          | 255.5          |
| Cash and cash equivalents                 | 96.6           | 86.1           | 95.3           |
| <b>Total current assets</b>               | <b>677.5</b>   | <b>651.6</b>   | <b>501.7</b>   |
| <b>Assets classified as held for sale</b> | <b>3.8</b>     | <b>6.7</b>     | <b>—</b>       |
| <b>Total assets</b>                       | <b>1,643.1</b> | <b>1,621.9</b> | <b>1,206.3</b> |
| <b>Equity</b>                             |                |                |                |
| Issued share capital                      | 5.9            | 5.9            | 4.3            |
| Share premium                             | 440.7          | 440.7          | 259.8          |
| Other reserves                            | (8.9)          | (14.5)         | (10.0)         |
| Retained earnings                         | (117.8)        | (89.4)         | (72.0)         |
| Result for the year                       | 38.6           | (28.4)         | (17.4)         |
| <b>Total</b>                              | <b>358.5</b>   | <b>314.3</b>   | <b>164.7</b>   |
| Non-controlling interest                  | 2.8            | 3.6            | —              |
| <b>Total equity</b>                       | <b>361.3</b>   | <b>317.9</b>   | <b>164.7</b>   |
| <b>Liabilities</b>                        |                |                |                |
| Loans and borrowings                      | 684.2          | 784.6          | 655.5          |
| Derivative financial instruments          | 11.1           | 10.6           | 10.9           |
| Employee benefits provisions              | 34.7           | 32.5           | 24.7           |
| Other provisions                          | 2.1            | 4.2            | 1.6            |
| Deferred income tax                       | 15.3           | 15.8           | 15.8           |
| <b>Total non-current liabilities</b>      | <b>747.4</b>   | <b>847.7</b>   | <b>708.5</b>   |
| Loans and borrowings                      | 5.5            | 7.5            | 2.8            |
| Derivative financial instruments          | 1.9            | 4.5            | 1.3            |
| Trade and other payables                  | 498.0          | 427.5          | 320.4          |
| Current income tax payable                | 12.3           | 2.1            | 5.9            |
| Provisions                                | 16.7           | 12.6           | 2.7            |
| <b>Total current liabilities</b>          | <b>534.4</b>   | <b>454.2</b>   | <b>333.1</b>   |
| <b>Liabilities held for sale</b>          | <b>—</b>       | <b>2.1</b>     | <b>—</b>       |
| <b>Total liabilities</b>                  | <b>1,281.8</b> | <b>1,304.0</b> | <b>1,041.6</b> |
| <b>Total equity and liabilities</b>       | <b>1,643.1</b> | <b>1,621.9</b> | <b>1,206.3</b> |

## Selected consolidated statement of cash flow

(EUR millions)

|                                                                                                                     | 2014           | 2013           | 2012          |
|---------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>Cash flows from operating activities</b>                                                                         |                |                |               |
| <b>Profit/(loss) after tax including discontinued operations</b> . . . . .                                          | <b>38.7</b>    | <b>(28.9)</b>  | <b>(17.4)</b> |
| <b>Adjustments for:</b>                                                                                             |                |                |               |
| Amortisation, depreciation and impairments . . . . .                                                                | 87.8           | 86.3           | 73.4          |
| Net change in fair value derivative financial instruments recognised in profit and loss and premiums paid . . . . . | (4.1)          | 2.7            | (0.5)         |
| Net finance costs . . . . .                                                                                         | 49.4           | 45.6           | 47.8          |
| (Gain)/loss on sale of property, plant and equipment . . . . .                                                      | (0.7)          | (0.3)          | (0.4)         |
| Income tax expense/(benefit) . . . . .                                                                              | 20.9           | 7.6            | 5.8           |
| Movements in provisions pensions and other provisions . . . . .                                                     | (5.1)          | 6.9            | 0.8           |
| <b>Cash flows from operating activities before changes in working capital</b> . . . .                               | <b>186.9</b>   | <b>119.9</b>   | <b>109.5</b>  |
| <b>Change in:</b>                                                                                                   |                |                |               |
| Inventories . . . . .                                                                                               | 14.9           | 4.2            | 3.4           |
| Trade and other receivables . . . . .                                                                               | (28.3)         | 16.4           | 29.6          |
| Trade and other payables . . . . .                                                                                  | 41.5           | (7.5)          | (32.9)        |
| <b>Total change in working capital</b> . . . . .                                                                    | <b>28.1</b>    | <b>13.1</b>    | <b>0.1</b>    |
| Interest received . . . . .                                                                                         | 0.2            | 0.3            | 0.5           |
| Interest paid . . . . .                                                                                             | (48.1)         | (46.8)         | (50.6)        |
| Income taxes paid . . . . .                                                                                         | (11.0)         | (16.4)         | (9.9)         |
| <b>Net cash generated from operating activities</b> . . . . .                                                       | <b>156.1</b>   | <b>70.1</b>    | <b>49.6</b>   |
| <b>Cash flows from investing and acquisition activities</b>                                                         |                |                |               |
| Proceeds from sale of property, plant and equipment . . . . .                                                       | 0.8            | 0.7            | 5.9           |
| Purchase of property, plant and equipment . . . . .                                                                 | (59.1)         | (47.3)         | (42.9)        |
| Purchase of intangible assets . . . . .                                                                             | (0.9)          | (0.4)          | (0.6)         |
| Purchase/sale of other investments . . . . .                                                                        | 20.6           | 0.6            | (0.2)         |
| Acquisition of subsidiary, net of cash acquired . . . . .                                                           | —              | (126.0)        | (6.0)         |
| Loans granted outside the group . . . . .                                                                           | —              | (2.2)          | —             |
| <b>Net cash used in investing and acquisition activities</b> . . . . .                                              | <b>(38.6)</b>  | <b>(174.6)</b> | <b>(43.8)</b> |
| <b>Cash flows from financing activities</b>                                                                         |                |                |               |
| Proceeds from loans and borrowings . . . . .                                                                        | —              | 98.9           | —             |
| Repayment of loans and borrowings . . . . .                                                                         | (106.3)        | (3.4)          | (2.8)         |
| <b>Net cash (used in)/from financing activities</b> . . . . .                                                       | <b>(106.3)</b> | <b>95.5</b>    | <b>(2.8)</b>  |
| Translation adjustment . . . . .                                                                                    | (0.2)          | (0.8)          | 2.7           |
| <b>Movement in cash and cash equivalents</b> . . . . .                                                              | <b>11.0</b>    | <b>(9.8)</b>   | <b>5.7</b>    |
| Cash and cash equivalents as at 1 January . . . . .                                                                 | 85.6           | 95.3           | 89.6          |
| Cash and cash equivalents as at 31 December . . . . .                                                               | 96.6           | 85.6           | 95.3          |

## Non-IFRS financial measures and other indicators

The table below presents certain non-IFRS financial measures and operating data for the years ended 31 December 2014, 2013 and 2012. These are not recognised measures of financial performance under IFRS and have not been audited or reviewed. These non-IFRS financial measures and operating data are presented because they are used by management to monitor the underlying performance of the business and operations.

|                                                                 | 2014        | 2013        | 2012                 |
|-----------------------------------------------------------------|-------------|-------------|----------------------|
|                                                                 | (unaudited) | (unaudited) | (unaudited)          |
| <b>EBITDA<sup>(1)</sup> (EUR millions)</b> .....                | 194.6       | 110.7       | 109.6 <sup>(7)</sup> |
| <b>Adjusted EBIT<sup>(2)</sup> (EUR millions)</b> .....         | 120.4       | 53.4        | 43.1                 |
| <b>Adjusted EBITDA<sup>(3)</sup> (EUR millions)</b> .....       | 208.2       | 139.7       | 116.5 <sup>(7)</sup> |
| <b>Volume (million litres)</b> .....                            | 5,968.9     | 5,054.0     | 4,943.9              |
| <b>Gross profit margin/litre<sup>(4)</sup> (eurocent)</b> ..... | 14.2        | 12.2        | 11.7                 |
| <b>Adjusted EBITDA/litre (eurocent)</b> .....                   | 3.5         | 2.8         | 2.4                  |
| <b>Net Debt/Adjusted EBITDA<sup>(5)</sup></b> .....             | 2.8x        | 5.1x        | 4.8x                 |
| <b>Cash flow conversion<sup>(6)</sup></b> .....                 | 60.2%       | 65.9%       | 62.7%                |
| <b>ROCE<sup>(7)</sup></b> .....                                 | 12.2%       | 5.6%        | 6.0%                 |

Notes:

- (1) EBITDA, which the Company defines as operating profit before depreciation, amortisation and impairment costs. For a reconciliation of EBITDA to operating profit in the periods under review, see “*Selected Financial Information – Non-IFRS Financial Measures and Other Indicators*”.
- (2) Adjusted EBIT, which the Company defines as EBIT (which the Company defines as operating profit) excluding the costs related to the combination with Gerber and other exceptional costs.
- (3) Adjusted EBITDA, which the Company defines as EBITDA excluding the costs related to the combination with Gerber and other exceptional costs. For a reconciliation of EBITDA and Adjusted EBITDA to operating profit in the periods under review, see “*Selected Financial Information – Non-IFRS Financial Measures and Other Indicators*”.

|                                                       | Year ended 31 December |             |             |
|-------------------------------------------------------|------------------------|-------------|-------------|
|                                                       | 2014                   | 2013        | 2012        |
| (EUR millions)                                        | (unaudited)            | (unaudited) | (unaudited) |
| <b>Operating profit</b> .....                         | 106.8                  | 24.4        | 36.2        |
| Depreciation, amortisation and impairment costs ..... | 87.8                   | 86.3        | 73.4        |
| <b>EBITDA</b> .....                                   | 194.6                  | 110.7       | 109.6       |
| Acquisition/merger costs .....                        | 3.3                    | 9.4         | 2.2         |
| Costs refinancing .....                               | —                      | —           | 0.3         |
| Fair value adjustment inventory .....                 | —                      | 5.0         | —           |
| Restructuring costs .....                             | 4.5                    | 14.2        | 4.4         |
| Other one-off costs .....                             | 5.8                    | 0.4         | —           |
| <b>Adjusted EBITDA</b> .....                          | 208.2                  | 139.7       | 116.5       |
| Depreciation, amortisation and impairment costs ..... | (87.8)                 | (86.3)      | (73.4)      |
| <b>Adjusted EBIT</b> .....                            | <b>120.4</b>           | <b>53.4</b> | <b>43.1</b> |

- (4) Gross profit margin per litre, which the Company defines as revenue and other income less other costs of sales, raw materials and consumables used, divided by the number of litres sold.
- (5) Net Debt (used solely for the purpose of calculating the Net Debt/Adjusted EBITDA ratio), which the Company defines as the nominal value of interest-bearing financial liabilities net of activated finance costs, less net cash and cash equivalents (including cash classified as held for sale, net of bank overdrafts).
- (6) Cash flow conversion, which the Company defines as the outcome of Adjusted EBITDA minus capital expenditures divided by Adjusted EBITDA.
- (7) Return on capital employed or “ROCE”, which the Company defines as Adjusted EBIT before goodwill impairments divided by the outcome of non-current assets, plus working capital, less employee benefits.



|      |                                                     |                                                                                                                                                                                                |
|------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B.8  | Selected key <i>pro forma</i> financial information | Not applicable. No <i>pro forma</i> financial information has been included in the Prospectus.                                                                                                 |
| 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 in the independent auditor's report on the historical financial information for the years ended 31 December 2014, 2013 and 2012.                   |
| B.11 | Working capital                                     | The Company believes that the working capital available to the Group is sufficient for the Group's present requirements; that is, for at least 12 months following the date of the Prospectus. |

## SECTION C – SECURITIES

|     |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C.1 | Type and class Security identification number | <p>The Shares are ordinary shares in the issued and outstanding capital of the Company with a nominal value of EUR0.12 each.</p> <p>Application has been made to list all Shares under the symbol "RFRG" on Euronext Amsterdam under ISIN Code NL0011214010.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| C.2 | Currency of the Shares                        | The Shares are denominated in and will trade in euro.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| C.3 | Number of shares issued, par value per share  | <p>On the date of the Prospectus, the share capital of the Company is divided into the following classes: class A ordinary shares, class A1A ordinary shares, class A1B ordinary shares, one class A2 ordinary share, class B ordinary shares and one class B1 ordinary share. The Company has issued 594,200,860 shares of which 430,733,300 are class A ordinary shares, 64,800 are class A1A ordinary shares, 21,161 are class A1B ordinary shares, one is a class A2 ordinary share, 163,381,597 are class B ordinary shares and one is a class B1 ordinary share. All shares have a nominal value of EUR0.01. All of the Shares will, when issued and outstanding, be created under Dutch law. Upon the envisaged amendment of the Company's articles of association becoming effective on the Settlement Date (such amendment including the conversion of all share classes into Shares), but before the issue of the New Offer Shares, the number of Shares issued is 74,264,363, each Share having a nominal value of EUR0.12.</p>         |
| C.4 | Rights attached to the securities             | <p>References to the "<b>Articles of Association</b>" hereafter will be to the Company's articles of association as they will read after their envisaged amendment on the Settlement Date. The Shares carry dividend rights. Each Share entitles its holder to cast one vote at the Company's general meeting (the "<b>General Meeting</b>"). There are no restrictions on voting rights.</p> <p>Dutch law and the Articles of Association generally give holders of Shares ("<b>Shareholders</b>") pre-emptive rights to subscribe on a <i>pro rata</i> basis for any issue of new Shares or, upon a grant of rights, to subscribe for Shares. Exceptions to these pre-emptive rights include (i) the issue of Shares issued against a contribution in kind, (ii) the issue of Shares to the Company's employees or the employees of a group company as defined in Article 2:24b of the Dutch Civil Code, and (iii) the issue of Shares to persons exercising a previously granted right to subscribe for Shares. Pursuant to the Articles of</p> |

Association, the Company's executive board (the "**Executive Board**") may, subject to the approval of the Company's supervisory board (the "**Supervisory Board**"), restrict and, if so designated by the General Meeting, exclude the Shareholders' pre-emptive rights.

The Executive Board has, subject to the approval of the Supervisory Board, the authority to issue Shares for a period of 18 months following the Settlement Date and to limit or exclude the pre-emptive rights pertaining to such Shares. Pursuant to this designation, the Executive Board may resolve to issue up to a maximum of 10% of the number of Shares issued as of the Settlement Date, and to limit or exclude pre-emptive rights in relation thereto.

It is expected that prior to the Settlement Date, the General Meeting will adopt a resolution to issue New Offer Shares aimed at gross proceeds of EUR 100 million and to exclude all pre-emptive rights in relation to the issuance of these New Offer Shares. The issue of the New Offer Shares will therefore not have an impact on the authority of the Executive Board to resolve to issue Shares as described above.

C.5 Restrictions on free transferability of the securities

There are no restrictions on the transferability of the Shares in the Articles of Association.

However, the Offering 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

Prior to the Offering, there has been no public market for the Shares. Application has been made to list the Shares under the symbol "RFRG" on Euronext Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading in the Shares on Euronext Amsterdam is expected to commence, on an "as-if-and-when-issued/delivered" basis, on or about 27 March 2015 (the "**First Trading Date**").

C.7 Dividend policy

The Company's intention is to apply a dividend pay-out policy that targets to pay out 35% to 50% of adjusted net income.

## SECTION D – RISKS

D.1 Key risks relating to the Company and its industry

### **Risks relating to the Company's business, strategy and operations**

- The Company may experience fluctuations in the prices of raw materials and packaging materials, which may be difficult to pass on to its customers.
- The Company's business depends on a significant supply of raw materials and packaging materials from a limited number of suppliers.
- The Company may fail to realise the business growth opportunities, margin benefits and other synergies anticipated from, or may incur unanticipated costs associated with or resulting from, its combination with Gerber effectuated on 11 November 2013.

- The Company may fail to acquire other businesses or to realise expected synergies relating to the integration of future acquisitions.
- The Company may fail to achieve any or all of the objectives included in the Prospectus.
- The medium term objectives included in this Prospectus may differ materially from the Company's actual results and investors should not place undue reliance on them.
- A few key customers contribute a significant portion of the Company's revenue, and any reduction in revenue from these customers could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.
- Most of the Company's customers are large and sophisticated and have considerable buying power which could limit the Company's potential for growth and profit.
- Demand for the Company's products may be significantly adversely affected by changes in customer and end-consumer preferences.
- The Company's sales are subject to seasonal fluctuations in customer and end-consumer demand.
- The Company may not remain cost-competitive or fully realise the expected cost savings or operating efficiencies from its cost-savings initiatives.
- The Company operates in a highly competitive industry for private label manufacturers and competitive pressures in the private label soft drinks market could have a material adverse effect on its business, results of operations, financial condition and prospects.
- The Company operates in a highly competitive industry for contract manufacturers and competitive pressures in the co-packing soft drinks market could have a material adverse effect on its business, results of operations, financial condition and prospects.
- The loss of members of the Executive Board, the failure to attract and retain directors with appropriate qualifications, experience and business relationships, or an increase in personnel expenses could have a material adverse effect on the Company's business.
- The Company may be adversely impacted by work stoppages and other labour matters.
- The Company relies on third parties for transportation of its supplies and finished products, and any disruption in their services or increase in costs could adversely affect the business, financial condition and results of operations of the Company.
- The Company's operating results may be adversely affected by disruption to its production and storage facilities.
- Inconsistent quality or contamination of the Company's products or products similar to or in the same categories

as the Company's products could harm the integrity of, or customer support for, the Company's products and adversely affect the sales of those brands.

- The Company's operating results may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems.
- The Company may not be able to protect its intellectual property rights.
- Potential future impairments of intangible assets could have a material adverse effect on the Company's business, financial conditions and results of operation.
- The terms of the Company's financing arrangements may limit its commercial and financial flexibility.
- The Company may fail to make regular capital expenditures, investments and upgrades to conduct its business, which could have a material adverse effect on the Company's operations.
- Changes in technology may affect the Company's competitive position in the future.
- The Company's results depend on general economic conditions and could be affected by deterioration in the economic conditions of its markets.
- The Company is exposed to risks in connection with the Company's pension commitments.
- Exchange rate fluctuations could have a material adverse effect on the Company's business, financial condition and results of operations.
- The Company is exposed to interest rate risks.
- The Company's substantial leverage and debt-service obligations could limit the amount of cash the Company has available for other purposes, which could adversely affect its business, financial condition and results of operations.
- The Company requires a significant amount of cash to service the Company's debt, and the Company's ability to generate sufficient cash depends on many factors, some of which are beyond the Company's control.
- Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.
- The Company is a holding company and has limited assets and limited ability to generate revenue. The Company will depend on its subsidiaries to provide it with funds to meet its obligations.
- The Company is subject to significant restrictive debt covenants, which limit its financial and operating flexibility.
- The Company may not be able to refinance its debt obligations on favourable terms, or at all, and may incur additional costs.

#### **Risks relating to legislative, regulatory and tax matters**

- The Company's business and production facilities are subject to significant environmental regulations and failure to comply with such regulations, or any changes in such regulations, could result in interruptions in operations and increased costs.
- The Company's business and products are subject to significant food safety regulations and failure to comply with such regulations, or any changes in such regulations, could result in interruptions in operations and increased costs.
- If the Company's products do not comply with the legal, regulatory or customer requirements, the Company may have to recall its products.
- The Company is exposed to a variety of economic, legal, tax and other related risks due to the international nature of the Company's business.
- If the Company is unable to fully utilise its deferred tax assets, its profitability could be reduced.
- The Company may be exposed to tax liabilities resulting from certain tax audits.
- The Company may be affected by litigation, including product liability claims.
- The Company may inadvertently infringe on the intellectual property rights of third parties or become dependent on licensing intellectual property from third parties.

#### **D.3 Key risks relating to the securities**

##### **Risks relating to the Offering and the Shares**

- The Selling Shareholders will retain part of their current shareholdings following the Offering and the interests of the Selling Shareholders may not be aligned with the interests of the other Shareholders.
- Future offerings of debt or equity securities by the Company may adversely affect the market price of the Shares and may dilute investors' shareholdings.
- Shareholders 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 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 transactions effected in the Offer Shares will be annulled.
- Investors with a reference currency other than the 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 will only receive proceeds of the Offering resulting from the issuance and sale of the New Offer Shares, aimed at gross proceeds of approximately EUR100 million. The costs of the Offering borne by the Company are estimated not to exceed approximately EUR26.1 million, including underwriting commissions (in respect of the New Offer Shares, the Existing Offer Shares and the Additional Shares (if any)) of up to EUR13.8 million and certain other expenses of up to EUR12.3 million (which includes all costs incurred by the Selling Shareholders which will be paid by the Company).

Based on the maximum costs related to the Offering, the Company estimates that net proceeds to the Company from the sale of the New Offer Shares would amount to approximately EUR73.9 million.

### E.2a Reasons for the Offering and use of proceeds

The Company will use the net proceeds of the sale of the New Offer Shares, and its cash reserves, to repay an amount of EUR100 million on its floating rate notes. The Company targets a leverage ratio (defined as Net Debt divided by Adjusted EBITDA) of approximately up to 2.5x after completion of the Offering.

The Company will not receive any proceeds from the sale of the Existing Offer Shares and/or the sale of any Additional Shares by the Selling Shareholders, the proceeds of which will be received by the Selling Shareholders.

### E.3 Terms and conditions of the Offering

#### Offer Shares

The Company is offering for subscription such number of New Offer Shares aimed at gross proceeds of approximately EUR100 million and the Selling Shareholders are offering up to 30,930,662 Existing Offer Shares.

The Offering consists of (a) a public offering to institutional and retail investors in the Netherlands, and (b) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being: (i) sold within the United States solely to persons reasonably believed to be “qualified institutional buyers” 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 thereunder and applicable state securities laws; and (ii) offered and sold outside the United States to investors in compliance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions where, and only to those persons to whom, the Offering may be lawfully made.

#### Over-allotment Option

The Selling Shareholders have granted J.P. Morgan Securities plc and Credit Suisse Securities (Europe) Limited (the “**Joint Global Coordinators**”), on behalf of ABN AMRO Bank N.V., HSBC Bank plc, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., and Société Générale (together with the Joint Global Coordinators, the “**Underwriters**”), an over-allotment option (the “**Over-allotment Option**”), exercisable within 30 calendar days after the date of the First Trading Date,



pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require some of the Selling Shareholders to sell to the Underwriters at the offer price of the Offer Shares (the “**Offer Price**”) up to 5,793,446 additional Shares held by them, comprising up to 15% of the total number of Offer Shares sold in the Offering (the “**Additional Shares**”) (on a *pro rata* basis to the Existing Offer Shares offered by those Selling Shareholders, subject to a cap for Okil whereby it will not sell more than one-third of its Shares in the Offering), to cover short positions resulting from over-allotments in connection with the Offering, if any.

Shares as part of the Offering

|                   | Maximum number of Shares allotted without exercise of Over-allotment Option | Maximum number of Shares allotted with full exercise of Over-allotment Option |
|-------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Offer Shares      | 38,622,970                                                                  | 38,622,970                                                                    |
| Additional Shares | —                                                                           | 5,793,446                                                                     |
| <b>Total</b>      | <b>38,622,970</b>                                                           | <b>44,416,416</b>                                                             |

### Offer Period

The timetable below lists certain expected key dates for the Offering.

| Event                                                                                       | Time (CET) and date        |
|---------------------------------------------------------------------------------------------|----------------------------|
| Start of the period during which the Offering will take place (the “ <b>Offer Period</b> ”) | 17 March 2015 at 9:00 CET  |
| End of Offer Period for Dutch Retail Investors (as defined below)                           | 25 March 2015 at 17:30 CET |
| End of Offer Period for other investors                                                     | 26 March 2015 at 13:00 CET |
| Pricing and Allocation                                                                      | 26 March 2015              |
| Publication of results of the Offering                                                      | 27 March 2015              |
| First Trading Date (trading on an ‘as-if-and-when-issued/delivered’ basis)                  | 27 March 2015              |
| Settlement Date (payment and delivery)                                                      | 31 March 2015              |

Please note that the Company and the Selling Shareholders, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period.

### Offer Price and number of Offer Shares

The Offer Price may be set within, above or below a price range of EUR13 and EUR16 per Offer Share (the “**Offer Price Range**”). The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares and, if applicable, the Additional Shares, offered will be determined, after the Offer Period has ended by the Company and the Selling Shareholders and in consultation with the Joint Global Coordinators, on behalf of the Underwriters, on the basis of the book-building process, taking into account economic and market conditions and factors, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact number of Offer Shares to be sold and the maximum number of Additional Shares will be set out in a pricing statement (the “**Pricing Statement**”) that will be filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”) and published through a

press release on the Company's website. The Offer Price Range is an indicative price range. The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or to increase or decrease the maximum number of Offer Shares before the end of the Offer Period. Any such change will be announced in a press release (that will also be posted on the Company's website) prior to the end of the Offer Period.

#### **Subscription and Allocation**

Dutch Retail Investors (as defined below) 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 Offer Period (if applicable, as accelerated or extended).

Allocation of the Offer Shares is expected to take place on the day of the closing of the Offer Period, expected on 26 March 2015, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who applied to subscribe for Offer Shares will be determined by the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. 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 for which they applied to subscribe.

#### **Preferential Retail Allocation**

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the "**Preferential Retail Allocation**"). Each eligible retail investor in the Netherlands (each a "**Dutch Retail Investor**") will be allocated the first 250 (or fewer) Offer Shares for which such investor applies, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares, assuming no exercise of the Over-allotment Option, the preferential allocation to each Dutch Retail Investor may take place *pro rata* to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares that they apply for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 17 March 2015 at 9:00 CET and ending on 25 March 2015 at 17:30 CET through financial intermediaries. Different financial intermediaries may apply deadlines before the closing time of the Offer Period. ABN AMRO Bank N.V. as the retail coordinator

will communicate to the financial intermediaries the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors.

### **Payment**

Payment (in euro) for the Offer Shares and payment (in euro) for Additional 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. Dutch Retail Investors may be charged expenses by their financial intermediary. 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 Offer Period and consequent acceleration of pricing, allocation, first trading and payment and delivery).

### **Delivery of Shares**

Delivery of the Offer Shares is expected to take place on the Settlement Date through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. If closing of the Offering does not take place on the Settlement Date or at all, 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 payments made will be returned without interest or other compensation. All dealings in Shares prior to settlement and delivery are at the sole risk of the parties concerned.

### **Underwriting Agreement**

The Company, the Selling Shareholders and the Underwriters have entered into an underwriting agreement (the “**Underwriting Agreement**”) with respect to the Offering and sale of the Offer Shares. Under the terms and subject to the conditions set out in the Underwriting Agreement, the Underwriters severally agree, subject to certain conditions, to purchase the Offer Shares, and the Company agrees to issue and sell New Offer Shares and each of the Selling Shareholders severally agrees to sell Existing Offer Shares to the Underwriters.

The Underwriting Agreement provides that the obligations of the Underwriters to purchase the Offer Shares, are subject to, among other things, the following conditions: (i) the Company shall have been converted into a public limited liability company under Dutch law; (ii) the approval of the Prospectus by the AFM being in full force and effect; (iii) execution of a pricing agreement between the Company, the Selling Shareholders and the Joint Global Coordinators on behalf of the Underwriters, which will contain, among other things, the Offer Price; (iv) receipt on or before the Settlement Date of opinions on certain legal matters from legal counsel relating to, among other things, the Company, the Selling Shareholders, the Underwriting Agreement, the Prospectus and the Offer Shares; (v) receipt of customary officers’ certificates; (vi) the absence of a material adverse change, or any development involving a prospective material adverse change, in or affecting the business, assets, financial position, shareholder’s equity,

cashflow, solvency or results of operations of the Company and its subsidiaries, taken as a whole since 31 December 2014; (vii) the absence of downgrade by two or more notches of the Company's credit rating; (viii) the admission of the Shares to listing on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date; and (ix) certain other customary closing conditions, including, among other things, the accuracy of the warranties provided by the Company and each of the Selling Shareholders pursuant to the Underwriting Agreement and the fulfilment by the Company and each of the Selling Shareholders of their respective conditions under the Underwriting Agreement. The Underwriters will have the right to waive the satisfaction of any such conditions or part thereof.

Upon the occurrence of certain specific events, such as the occurrence of: (i) a material adverse change, or any development involving a prospective material adverse change, in or affecting the business, assets, financial position, shareholder's equity, cashflow, solvency or results of operations of the Company and its subsidiaries, taken as a whole since 31 December 2014; (ii) trading generally having been suspended or materially limited on any of the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange plc, Euronext Amsterdam, or any over-the-counter market; or (iii) a statement in the Prospectus, the Pricing Statement or any amendment or supplement to the Prospectus being untrue, inaccurate or misleading, the Underwriters may elect to terminate the Underwriting Agreement until the Settlement Date.

#### **Joint Global Coordinators and Joint Bookrunners**

J.P. Morgan Securities plc and Credit Suisse Securities (Europe) Limited are acting as Joint Global Coordinators and, together with ABN AMRO Bank N.V. and HSBC Bank plc, as the joint bookrunners (the "**Joint Bookrunners**").

#### **Joint Lead Managers**

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and Société Générale are acting as joint lead managers.

#### **Underwriters**

J.P. Morgan Securities plc, Credit Suisse Securities (Europe) Limited, ABN AMRO Bank N.V., HSBC Bank plc, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and Société Générale are acting as underwriters.

#### **Listing and Paying Agent**

ABN AMRO Bank N.V. is the listing and paying agent (the "**Listing and Paying Agent**") with respect to the Shares on Euronext Amsterdam.

#### **Retail Coordinator**

ABN AMRO Bank N.V. is the retail coordinator with respect to the Preferential Retail Allocation.

#### **Stabilisation Agent**

J.P. Morgan Securities plc is the stabilisation agent (the "**Stabilisation Agent**") with respect to the Shares on Euronext Amsterdam.

E.4 Interests material to the Offering  
(including conflicting interests)

Certain of the Underwriters and/or their respective affiliates have in the past been engaged, are currently engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities, including hedging, financing and corporate advisory services, in the ordinary course of their business with the Company and/or the Selling Shareholders and certain of their respective affiliates, in respect of which they have received, and may in the future receive, customary fees and commissions.

Credit Suisse International is mandated lead arranger, each of HSBC Bank plc, ABN AMRO Bank N.V. and Société Générale, London Branch are mandated lead arranger and original lender and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. is mandated lead arranger, original lender and agent, under the Company's revolving credit facility. Affiliates of HSBC Bank plc are also acting as lenders under a finance lease facility agreement and commercial mortgage agreement with subsidiaries of the Company.

Additionally, the Underwriters may, in the ordinary course of their business, hold the Company's securities or securities of the Selling Shareholders for investment. Both a subsidiary of JP Morgan Chase & Co, the ultimate parent company of J.P. Morgan Securities plc, and an affiliate of Credit Suisse Securities (Europe) Limited hold ownership interests, on behalf of their respective clients, in Stodir, one of the entities that owns and controls Ferskur Holding 1 B.V.; neither the subsidiary of JP Morgan Chase & Co nor the affiliate of Credit Suisse Securities (Europe) Limited is the beneficial owner of such ownership interests. As a result of these transactions and services, the Underwriters may come to have interests that may not be aligned or could potentially conflict with potential investors or the Company.

Mr Roelofs and Mr Duijzer indirectly hold Shares through Okil Holding B.V., which may sell 1,503,785 Existing Offer Shares. Refresco B.V. granted a loan of EUR2.1 million to Raven Management B.V. (which is owned by Mr Roelofs and Mr Duijzer).

E.5 Person or entity offering to sell the securities and lock-up arrangements

The Company and the Selling Shareholders are offering Shares. The Company and the Selling Shareholders (other than Okil Holding B.V.) agree with the Underwriters that, for a period commencing on the date of the Prospectus until 180 days after the Settlement Date, they will not, and Okil Holding B.V. agrees with the Underwriters that, for a period commencing on the date of the Prospectus until 360 days after the Settlement Date, it will not, except as set out below, without the prior consent of each of the Joint Global Coordinators, acting on behalf of the Underwriters (i) 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, cause the Company to issue, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for Shares, or (ii) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic

consequences of ownership of the Shares, whether any such transactions under (i) or (ii) are to be settled by delivery of the Shares or other securities, in cash or otherwise.

With respect to the Company, the lock-up will not apply to (i) the issue and sale of the New Offer Shares under the Underwriting Agreement, (ii) any issuance or conversion before the Settlement Date to effect the share capital reorganisation as described in the Prospectus, (iii) the transfer of Shares under the Company's employee participation plan within the limits set out herein, (iv) the conditional award of Shares under the Company's long-term incentive plan within the limits set out herein, and (v) the sale, transfer or other disposal of Shares by way of acceptance of a public takeover offer, merger or similar business combination with a third party in respect of all of the issued Shares.

With respect to the Selling Shareholders, the foregoing shall not apply to: (i) the sale of the Existing Offer Shares or Additional Shares under the Underwriting Agreement, (ii) the lending of the lending shares under the share lending agreement (as defined below), (iii) transfers of Shares by Selling Shareholders to other Selling Shareholders on the Settlement Date in connection with, and to the extent required pursuant to, the economic settlement between the Selling Shareholders of the cancellation of the class A1A ordinary shares and the class A1B ordinary shares, (iv) transfers of Shares by a Selling Shareholder in favour of any entity within such Selling Shareholder's control or under common control with such Selling Shareholder or to one or more persons, whether natural or legal, who are the ultimate beneficial owners of such Selling Shareholder (which includes in respect of Ferskur Holding 1 B.V.: Stodir hf., Kaupthing hf. and EAB ehf.), provided such transferee provides undertakings to the Joint Global Coordinators, as representatives of the Underwriters, equivalent to those agreed by the Selling Shareholder, (v) transfers of Shares by a 3i Shareholder to (a) another 3i Shareholder or (b) any of 3i Group plc, any subsidiary undertaking or any parent undertaking of 3i Group plc and any subsidiary undertakings of that parent undertaking or (c) any fund, partnership, investment vehicle or other entity (whether corporate or otherwise) established in any jurisdiction and which is managed by an entity in the 3i group or (d) any company, fund, partnership, investment vehicle or other entity (whether corporate or otherwise) which is controlled by or under common control with the 3i Shareholder or any 3i funds or members of the 3i group, so long as the recipient of such Shares provides undertakings equivalent to those agreed by such 3i Shareholder, and such undertakings are enforceable, and (vi) the sale, transfer or other disposal of Shares by way of acceptance of a (partial) public takeover offer, merger or similar business combination with a third party in respect of all of the issued Shares, or part of the issued Shares in the event of a partial public takeover offer, as permitted by Dutch law.

The Joint Global Coordinators may, in their sole discretion and at any time, waive these restrictions, including those on sales, issues, offers or transfers of Shares.



|     |                                                            |                                                                                                                                                                                                                                                                                             |
|-----|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| E.6 | Dilution                                                   | The voting interest of the Selling Shareholders will be diluted as a result of the issuance of the New Offer Shares. The maximum dilution for the Selling Shareholders pursuant to the issuance of the New Offer Shares would be 9.4%, assuming the issuance of 7,692,308 New Offer Shares. |
| E.7 | Estimated expenses charged to the investors by the Company | Not applicable. No expenses have been or will be charged to the investors by the Company or the Selling Shareholders in relation to the Offering.                                                                                                                                           |

## 2. SAMENVATTING

Deze samenvatting bestaat uit informatievereisten die “Elementen” worden genoemd. Deze Elementen zijn genummerd in de afdelingen A – E (A.1 – E.7).

Deze samenvatting bevat alle Elementen die moeten worden opgenomen in een samenvatting voor dit type effecten en uitgevende instelling. Omdat voor sommigen Elementen bespreking ervan niet verplicht is, kan de nummering van de Elementen soms verspringen.

Verder kan het zijn dat er voor een Element dat vanwege het type effecten en uitgevende instelling in deze samenvatting moet worden opgenomen, geen relevante informatie kan worden verstrekt. In dit geval is een korte omschrijving van het Element in de samenvatting opgenomen met de vermelding “niet van toepassing”.

### AFDELING A – INTRODUCTIE EN WAARSCHUWINGEN

#### A.1 Introductie en waarschuwingen

Deze samenvatting dient gelezen te worden als een inleiding op het Engelstalige prospectus (het “**Prospectus**”) met betrekking tot het aanbod (het “**Aanbod**”) van Refresco Gerber N.V. (de “**Vennootschap**”) van nieuw uitgegeven gewone aandelen in het aandelenkapitaal van de Vennootschap (de “**Nieuw Aangeboden Aandelen**”) met als doel een bruto-opbrengst van ongeveer EUR100 miljoen en van Ferskur Holding 1 B.V., Tamoa Limited, 3i GC Holdings Ref 2 S.à r.l., 3i GC Holdings Ref 1 S.à r.l., Okil Holding B.V. en Godetia II B.V. (samen, de “**Verkopende Aandeelhouders**”) van ten hoogste 30,930,662 bestaande aandelen (de “**Bestaande Aangeboden Aandelen**”, en samen met de Nieuw Aangeboden Aandelen en, tenzij de context anders aanwijst, de Additionele Aangeboden Aandelen (zoals hieronder omschreven), de “**Aangeboden Aandelen**”) (*pro rata* aan de Bestaande Aangeboden Aandelen die worden aangeboden door sommige van de Verkopende Aandeelhouders, onder voorbehoud van een cap voor Okil Holding B.V. met dien verstande dat Okil Holding B.V. niet meer dan een derde van haar Aandelen zal verkopen in het Aanbod), en de toelating tot de notering en verhandeling van de gewone aandelen, met een nominale waarde van EUR[0,12] per aandeel, in het aandelenkapitaal van de Vennootschap (de “**Aandelen**”) aan Euronext Amsterdam (“**Euronext Amsterdam**”), een gereguleerde markt beheerd door Euronext Amsterdam N.V. Ieder besluit om in de Aangeboden Aandelen of de Vennootschap te investeren dient steeds gebaseerd te zijn op bestudering van het gehele Prospectus door de belegger. Wanneer een vordering met betrekking op de informatie in het Prospectus bij een rechterlijke instantie aanhangig wordt gemaakt, kan het zijn dat de belegger die als eiser optreedt volgens nationale wetgeving van de Lidstaat van de Europese Economische Ruimte de kosten voor de vertaling van het Prospectus moet dragen voordat de rechtsvordering wordt ingesteld. Uitsluitend de personen die de samenvatting, met inbegrip van een eventuele vertaling ervan, hebben opgesteld, kunnen wettelijk aansprakelijk worden gesteld, maar alleen indien deze samenvatting, wanneer zij samen met de andere delen van het Prospectus wordt gelezen, misleidend, onjuist of inconsistent is of indien zij, wanneer zij samen met de andere delen van het Prospectus wordt gelezen, geen essentiële gegevens verstrekt om beleggers te helpen bij hun overweging ten aanzien van de vraag of zij in de Aandelen of de Vennootschap zullen investeren.<sup>4</sup>

<sup>4</sup> In deze samenvatting zijn alle verwijzingen naar de “Vennootschap” of de “Groep” naar Refresco Gerber N.V. en, afhankelijk van de context, iedere en alle aan haar verbonden dochtermaatschappijen, in het geheel.

|     |                                                                                          |                                                                                                                                                                                                                    |
|-----|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A.2 | Nadere wederverkoop of definitieve plaatsing van effecten door financiële tussenpersonen | Niet van toepassing. De Vennootschap verleent geen toestemming voor het gebruik van het Prospectus voor de nadere wederverkoop of definitieve plaatsing van de Aangeboden Aandelen door financiële tussenpersonen. |
|-----|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## AFDELING B – DE UITGEVENDE INSTELLING

|     |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B.1 | Statutaire en handelsnaam van de Vennootschap                  | Op de datum van het Prospectus is de Vennootschap nog een besloten vennootschap met beperkte aansprakelijkheid genaamd Refresco Gerber B.V. De naam van de Vennootschap zal worden gewijzigd in Refresco Gerber N.V. op of rond 31 maart 2015 (de “ <b>Afwikkelingsdatum</b> ”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| B.2 | Vestigingsplaats, rechtsvorm, wetgeving en land van oprichting | Op de datum van het Prospectus is de Vennootschap een besloten vennootschap met beperkte aansprakelijkheid, opgericht onder Nederlands recht en gevestigd in Nederland. De Vennootschap zal worden omgezet in een naamloze vennootschap op of rond de Afwikkelingsdatum. De Vennootschap heeft haar statutaire zetel in Rotterdam, Nederland.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| B.3 | Actuele bedrijfsvoering en voornaamste activiteiten            | <p>De Vennootschap is de toonaangevende fabrikant van huismerk frisdranken voor detailhandelaars in Europa. In Europa is de Vennootschap ook de toonaangevende co-packing fabrikant van frisdranken voor A-merk eigenaren. De Vennootschap fabriceert en verkoopt ook specialiteitsfrisdrank producten op een kleine schaal onder haar eigen merken.</p> <p>De Vennootschap heeft bedrijfsactiviteiten in de West-Europese markt. De belangrijkste landen/regio's zijn de Benelux<sup>5</sup>, Duitsland, Frankrijk, het Verenigd Koninkrijk, Iberia<sup>6</sup> en Italië. De Vennootschap heeft ook bedrijfsactiviteiten in Polen en Finland. De Vennootschap beheerst 27 productiefaciliteiten in negen landen met een totaal van 159 productielijnen.</p> <p>De Vennootschap fabriceert een breed portfolio van producten voor haar huismerk en co-packing klanten. Het portfolio van de Vennootschap bestaat uit koolzuurhoudende frisdranken, fleswater, vruchten- en groentesap, sport- en energydranken, niet-koolzuurhoudende dranken (met inbegrip van ready-to-drink thee) en siropen. De Vennootschap biedt een reeks van verschillende soorten en maten verpakkingen aan.</p> <p>Sinds 1999 heeft de Vennootschap 15 bedrijven verworven en geconsolideerd, waarvan sommigen een lange geschiedenis hebben in het fabriceren van frisdranken, die teruggaat naar halverwege de negentiende eeuw. In 2012 heeft de Vennootschap Taja, een Poolse huismerkfabrikant van koolzuurhoudende frisdranken en fleswater, verworven. De Vennootschap heeft in 2013 haar bedrijfsactiviteiten gecombineerd met Gerber, een groep van ondernemingen die daarvoor onder Pride Foods Ltd vielen, door middel van een uitgifte van nieuwe aandelen tegen inbreng in natura.</p> <p>In 2014 verkocht de Vennootschap circa 6,0 miljard liter aan frisdranken. De geconsolideerde omzet van de Vennootschap</p> |

<sup>5</sup> Benelux bestaat uit Nederland en België.

<sup>6</sup> Iberia bestaat uit Spanje en Portugal.

voor het jaar eindigend 31 december 2014 bedroeg circa EUR2.037 miljoen en de winst van de Vennootschap bedroeg EUR38,7 miljoen.

De frisdrankenmarkt kan onderverdeeld worden in zes hoofd productcategorieën:

*Koolzuurhoudende frisdranken* – Koolzuurhoudende frisdranken, of “CSDs” (*carbonated soft drinks*), zijn frisdranken waar kooldioxidegas in op is gelost. Koolzuurhoudende frisdranken omvatten geen koolzuurhoudend fleswater en niet-koolzuurhoudende dranken, zoals ready-to-drink thee.

*Fleswater* – Fleswater bestaat uit niet-koolzuurhoudend en koolzuurhoudend water, met inbegrip van gearomatiseerd water en functioneel verrijkt water. Gearomatiseerd water bevat vaak een kleine dosering vruchtensap of fruitextract (van circa 1g per liter). Functioneel verrijkt water is water dat versterkt en verbeterd is met voedingsstoffen, vitamines, zuurstof en kruiden.

*Vruchten- en groentesap* – Vruchten- en groentesap bestaat uit sap dat niet afkomstig is van concentraten, en sap geconstitueerd uit bevroren concentraat en nectars. Nectars worden geproduceerd door middel van een basis concentraat sap of gepasteuriseerde puree van vrucht vlees, waar suiker en water aan toegevoegd kunnen worden, en bevat 25 % tot 99 % sap.

*Sport- en energydranken* – Sportdranken (met inbegrip van isotone, hypotone, en hypertone sportdranken) zijn normaliter afhankelijk van de verstrekking van vloeistoffen en koolhydraten of een combinatie daarvan. Energydranken zijn bedoeld om energieniveaus te verhogen en bevatten normaliter hoge gehalten cafeïne en taurine.

*Niet-koolzuurhoudende dranken* – Niet-koolzuurhoudende dranken bestaan uit niet-koolzuurhoudende sappen, sap gearomatiseerde sappen en ready-to-drink thee (met inbegrip van koolzuurhoudende ready-to-drink thee). Niet-koolzuurhoudende sap dranken worden gemaakt met verse sap of concentraat en bevatten niet meer dan 24 % sap.

*Siropen* – Siropen bestaan uit concentraten en pulp (squash). Vóór consumptie moeten zij in water worden opgelost.

Frisdranken kunnen gecategoriseerd worden in huismerk en merk. Huismerkproducten zijn producten die worden verkocht door een detailhandelaar onder haar eigen merknaam, zoals “Aldi’s River Cola” verkocht door Aldi. Merkproducten zijn producten die worden verkocht onder een merknaam die niet gerelateerd is aan het distributiekanaal, zoals “Coca-Cola”. Anders dan huismerkproducten, worden merkproducten normaliter gepromoot door middel van reclame en promotiecampagnes om naamsbekendheid en merk loyaliteit te versterken.

Hieronder volgt een samenvatting van de belangrijkste concurrentiekrachten van de Vennootschap en, waar de context

dat vereist, van elk van haar dochtermaatschappijen, als geheel (gezaamenlijk, de “**Groep**”) waarmee zij denkt haar positie als marktleider te behouden en te versterken:

- Winnend bedrijfsmodel, gericht op leiderschap in huismerk en co-packing, biedt structurele concurrentievoordelen.
- Duidelijke kostenvoordelen als gevolg van het zijn van een leidende pan-Europese onafhankelijke bottelaar, met marktleidende posities.
- Volledig spectrum van product- en verpakkingsaanbiedingen op haar pan-Europese platform biedt stabiliteit door middel van diversificatie.
- Stevig fundament voor de toekomst gebaseerd op langdurige klantrelaties en een reputatie als een geprefereerde leverancier voor detailhandelaars in Europa en een aantrekkelijke partner voor A-merk eigenaren.
- Gedifferentieerd vermogen tot innovatie ondersteunen de uniekheid van klantenproposities en kostenleiderschap.
- Track record wat betreft realisatie van synergie bij acquisities is bewijs van het succes van de continuerende consolidatiestrategie.
- Een toegewijd en ervaren management team met brede erkenning in de branche.

B.4a Belangrijkste recente trends die invloed hebben op de Vennootschap en de branches waarin zij actief is

*Gezondheids- en voedingsbewustzijn* – De tendens van de eindgebruiker naar gezonder voedsel en gezondere drank is een langlopende trend. Deze trend stimuleert nieuwe innovaties en is de oorzaak van een samensmelting van traditionele segmenten, zoals sappen, in nieuwe concepten zoals niet-koolzuurhoudende dranken.

De groeiende zorg over lifestyle-gerelateerde ziektes, met inbegrip van het stijgende aantal gevallen van obesitas in West-Europa, heeft geleid tot een verhoogd gezondheidsbewustzijn onder eindgebruikers. Dit bewustzijn is versterkt door een toenemende hoeveelheid programma's die het gezondheidsbewustzijn van eindgebruikers versterken. Als gevolg daarvan verschuiven consumptievoorkeuren naar frisdranken zonder conserveringsmiddelen, met minder calorieën en met lagere suikergehaltes.

Eindgebruikers zijn ook bereid te betalen voor hoger geprijsde dranken die gezien worden als verser (bijvoorbeeld versgeperste NFC sappen) of die extra voedingswaarden bevatten, bijvoorbeeld verrijkte voedzame dranken, zoals vitamine-verrijkte waters. Bovendien is er een stijgende voorkeur voor natuurlijke/organische producten. Het wordt verwacht dat fleswater boven de gehele frisdrankenmarkt zal uitgroeien, aangezien fleswater profiteert van het toenemende gezondheidsbewustzijn.

*Tijdsdruk* – De gemakmarkt is groeiende aangezien eindgebruikers steeds drukkere levensstijlen hebben en diengevolge minder tijd uittrekken voor maaltijden. Frisdranken profiteren van deze trend, zowel in volume als in termen van prijs per eenheid. Er wordt verwacht dat innovatie

in nieuwe productlijnen en verpakkingsformaten gericht op de vraag naar gemak en draagbaarheid, zoals “on-the-go” verpakking en eenmalige porties, de groei stimuleert.

*Budgetbeperkingen* – Eindgebruikers in Europa zijn steeds vaker op zoek naar waarde-voor-geld alternatieven over het gehele frisdrank spectrum. De duurdere categorieën van frisdranken in het algemeen zijn gedaald, hoewel budgetbeperkingen worden opgeheven naarmate het vertrouwen en het inkomen van de eindgebruiker stijgt.

*Duurzaamheid* – Milieuaangelegenheden, zoals klimaatverandering, koolstofemissies en recycling, evenals andere ethische kwesties, bijvoorbeeld fair-trade en organische producten, winnen terrein op de agenda van de eindgebruiker. Frisdrankfabrikanten verhogen het productaanbod verpakt in nieuwe, milieuvriendelijkere verpakkingsformaten en onder duurzamere labels.

B.5 Beschrijving van de Groep en de positie van de Vennootschap daarin

De Vennootschap is de moedermaatschappij van de Groep zonder eigen materiële directe bedrijfsactiviteiten. De belangrijkste activa van de Vennootschap zijn de aandelenbelangen die zij direct of indirect in haar dochtermaatschappijen houdt.

B.6 Belangrijke Aandeelhouders

De volgende tabel verstrekt informatie met betrekking tot het economisch eigendom van iedere Verkopende Aandeelhouder op de datum van het Prospectus.

| Verkopende<br>Aandeelhouder                     | Aandelenkapitaal in bezit                                                                                        | Percentage van<br>uitgegeven<br>aandelenkapitaal |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
|                                                 | <i>Aantal/klasse van aandelen</i>                                                                                |                                                  |
| Ferskur Holding 1<br>B.V. <sup>(1)</sup>        | 268.000.000 klasse A<br>gewone aandelen<br>64.800 klasse A1A gewone<br>aandelen<br>1 klasse A2 gewoon<br>aandeel | 45,11 %                                          |
| Tamoa Limited <sup>(2)</sup>                    | 163.381.597 klasse B<br>gewone aandelen<br>1 klasse B1 gewoon<br>aandeel                                         | 27,50 %                                          |
| 3i GC Holdings Ref 2<br>S.à r.l. <sup>(3)</sup> | 64.001.000 klasse A<br>gewone aandelen<br>15.475 klasse A1B gewone<br>aandelen                                   | 10,77 %                                          |
| Okil Holding B.V. <sup>(4)</sup>                | 55.315.600 klasse A<br>gewone aandelen                                                                           | 9,31 %                                           |
| 3i GC Holdings Ref 1<br>S.à r.l. <sup>(3)</sup> | 23.515.700 klasse A<br>gewone aandelen<br>5.686 klasse A1B gewone<br>aandelen                                    | 3,96 %                                           |
| Godetia II B.V. <sup>(5)</sup>                  | 19.901.000 klasse A<br>gewone aandelen                                                                           | 3,35 %                                           |

(1) Ferskur Holding 1 B.V. is eigendom van en onder zeggenschap van Kaupthing Hf, Stodir Hf en EAB 1 ehf in hun hoedanigheid als aandeelhouders van Ferskur Holding 1 B.V. Kaupthing Hf. houdt indirect de meerderheid van de aandelen in EAB 1 ehf., maar heeft geen zeggenschap over EAB 1 ehf.



- (2) Tamo Limited is de voormalig eigenaar van de Gerber onderneming en zij ontving aandelen in de Vennootschap in verband met de combinatie tussen Gerber en Refresco. De uiteindelijke moedervernootschap van Tamo Limited en de partij die zeggenschap heeft over Tamo Limited is Quadriga International Limited, een vennootschap opgericht op de Britse Maagdeneilanden, waarvan de aandelen activa zijn van de Quadriga Trust (een discretionaire trust, waarvan de bestuurder GZ Trust Corporation Limited is).
- (3) 3i GC Holdings Ref 2 S.à r.l. en 3i GC Holdings Ref 1 S.à r.l. zijn direct en indirect eigendom van 3i Group plc, dat beursgenoteerd is aan de London Stock Exchange, en van diverse 3i investeringsentiteiten, welke worden beheerd door 3i Investments plc, een dochteronderneming van 3i Group plc. 3i Investments plc is geautoriseerd en gereguleerd in het Verenigd Koninkrijk door de Financial Conduct Authority. Het stemgerechtigd aandelenbelang is hieronder weergegeven:

| 3i GC Holdings Ref 1 S.à r.l. aandelenbelang                                              | 3i GC Holdings Ref 2 S.à r.l. aandelenbelang | aandelenbelang % |
|-------------------------------------------------------------------------------------------|----------------------------------------------|------------------|
| 3i Growth Capital B LP <sup>(b)</sup> houdt 100 % van het stemgerechtigd aandelenkapitaal | 3i Growth Capital A LP <sup>(a)</sup>        | 5,4697 %         |
|                                                                                           | 3i Growth Capital C LP <sup>(b)</sup>        | 50,0000 %        |
|                                                                                           | 3i Growth Capital G LP <sup>(a)</sup>        | 5,4697 %         |
|                                                                                           | 3i Growth 08-10 LP <sup>(a)</sup>            | 20,8137 %        |
|                                                                                           | 3i Growth (Europe) 08-10 LP <sup>(a)</sup>   | 18,2469 %        |
|                                                                                           | Totaal                                       | 100,0000 %       |

- (a) “Interne” entiteiten eigendom van en beheerd door 3i Group
- (b) “Externe” LP entiteit beheerd door 3i Investments plc, een dochtervennootschap van 3i Group plc
- (4) De leden van de Raad van Bestuur en het management zijn de (directe of indirecte) eigenaren van deze Verkopende Aandeelhouder.
- (5) Een voormalig lid van de Raad van Bestuur is de (directe of indirecte) eigenaar van deze Verkopende Aandeelhouder.

De tabel hieronder geeft informatie met betrekking tot het eigendom van de Aandelen onmiddellijk voorafgaand aan de Afwikkelingsdatum (na het inwerkingtreden van de wijzigingen van de huidige statuten van de Vennootschap waardoor, onder andere, alle huidige klassen van aandelen omgezet worden naar Aandelen), evenals onmiddellijk ná de Afwikkelingsdatum, uitgaande van een volledige uitoefening van de Overtoewijzingsoptie (zoals hieronder omschreven), en uitgaande van een Aanbiedingsprijs (zoals hieronder omschreven) in het midden van de Aanbiedingsprijs Bandbreedte van het Aanbod (zoals hieronder omschreven).

| Verkopen de<br>aandeelhouder     | Hoeveelheid Aandelen<br>in bezit op afwikkeling<br>van het Aanbod na<br>omzetting / inkoop |        | Hoeveelheid Aandelen<br>in bezit onmiddellijk ná<br>afwikkeling van het<br>Aanbod met volledige<br>uitoefening van de<br>Overtoewijzingsoptie |        |
|----------------------------------|--------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------|
|                                  | Percentage<br>van<br>geplaatst<br>aandelenka<br>pitaal                                     |        | Percentage<br>van<br>geplaatst<br>aandelenka<br>pitaal                                                                                        |        |
|                                  | Aantal<br>Aandelen                                                                         |        | Aantal<br>Aandelen                                                                                                                            |        |
| Ferskur Holding 1<br>B.V.        | 36.660.615                                                                                 | 49,4 % | 17.646.304                                                                                                                                    | 21,7 % |
| Tamoa Limited                    | 20.422.700                                                                                 | 27,5 % | 9.830.309                                                                                                                                     | 12,1 % |
| 3i GC Holdings Ref<br>2 S.à r.l. | 8.325.609                                                                                  | 11,2 % | 4.851.242                                                                                                                                     | 6,0 %  |
| Okil Holding B.V.                | 4.262.760                                                                                  | 5,7 %  | 2.841.840                                                                                                                                     | 3,5 %  |
| 3i GC Holdings Ref<br>1 S.à r.l. | 3.059.057                                                                                  | 4,1 %  | 1.782.479                                                                                                                                     | 2,2 %  |
| Godetia II B.V.                  | 1.533.622                                                                                  | 2,1 %  | 738.197                                                                                                                                       | 0,9 %  |

Het A2 en B1 gewone aandeel zullen worden ingetrokken tegen betaling van de nominale waarde (zijnde EUR0,01 per aandeel). De klassen A1A en A1B gewone aandelen zullen worden teruggetrokken zonder enige terugbetaling. De houders van deze klassen aandelen zullen worden gecompenseerd voor de intrekking door middel van de overdracht van aandelen door de andere aandeelhouders.

**B.7** Geselecteerde belangrijke  
historische financiële informatie

De hieronder weergegeven geselecteerde geconsolideerde financiële informatie heeft betrekking op de Groep zoals op en voor de jaren eindigend op 31 december 2014, 2013 en 2012, zoals afgeleid uit de jaarrekeningen die in het Prospectus zijn opgenomen, beginnend op pagina F-1, en dienen te worden gelezen in samenhang met die jaarrekeningen, de bijhorende toelichtingen en de daarop betrekking hebbende respectievelijke onafhankelijke controleverklaringen verstrekt door Ernst & Young Accountants LLP (voor de financiële informatie met betrekking tot het jaar eindigend op 31 december 2014) en PricewaterhouseCoopers Accountants N.V. (voor de financiële informatie met betrekking tot de jaren eindigend op 31 december 2013 en 2012).

Vanwege de samenvoeging van de bedrijfsactiviteiten van de Vennootschap met de bedrijfsactiviteiten van Gerber, de groep van ondernemingen die daarvoor onder Pride Foods Ltd viel, die op 11 november 2013 voltooid is, zijn de gecontroleerde geconsolideerde financiële gegevens van de Groep van de periodes vóór 2014 geen resultaten van activiteiten voor de gehele bedrijfsvoering van de Groep zoals zij er op de dag van het Prospectus uit ziet. Dientengevolge is de vergelijkbaarheid van de historische geconsolideerde financiële informatie gedurende elke periode weergegeven vóór 2014 beperkt.

## Geselecteerde geconsolideerde winst- en verliesrekening

(EUR miljoen)

|                                                                                  | 2014           | 2013           | 2012           |
|----------------------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Opbrengsten</b> .....                                                         | <b>2.036,9</b> | <b>1.587,6</b> | <b>1.538,3</b> |
| Overige baten .....                                                              | —              | 0,3            | 0,5            |
| Grond- en hulpstoffen .....                                                      | (1.186,5)      | (971,8)        | (959,0)        |
| Lasten uit hoofde van personeelsbeloningen .....                                 | (226,8)        | (173,9)        | (150,3)        |
| Afschrijvingen en bijzondere waardeverminderingen vaste activa .....             | (87,8)         | (86,3)         | (73,4)         |
| Overige lasten .....                                                             | (429,0)        | (331,5)        | (319,9)        |
| <b>Exploitatie resultaat</b> .....                                               | <b>106,8</b>   | <b>24,4</b>    | <b>36,2</b>    |
| Financieringsbaten .....                                                         | 0,2            | 0,3            | 0,6            |
| Financieringslasten .....                                                        | (49,6)         | (45,9)         | (48,4)         |
| <b>Netto financieringslasten</b> .....                                           | <b>(49,4)</b>  | <b>(45,6)</b>  | <b>(47,8)</b>  |
| <b>Winst/(verlies) vóór belasting</b> .....                                      | <b>57,4</b>    | <b>(21,2)</b>  | <b>(11,6)</b>  |
| Winstbelasting (lasten) / baten .....                                            | (20,9)         | (7,6)          | (5,8)          |
| <b>Winst/(verlies) voor het jaar van voortgezette bedrijfsactiviteiten</b> ..... | <b>36,5</b>    | <b>(28,8)</b>  | <b>(17,4)</b>  |
| Winst/(verlies) voor het jaar van beëindigde bedrijfsactiviteiten .....          | 2,2            | (0,1)          | —              |
| <b>Winst/(verlies)</b> .....                                                     | <b>38,7</b>    | <b>(28,9)</b>  | <b>(17,4)</b>  |
| <b>Winst/(verlies) toegeschreven aan:</b>                                        |                |                |                |
| Eigenaren van de Vennootschap .....                                              | 38,6           | (28,4)         | (17,4)         |
| Minderheidsbelangen .....                                                        | 0,1            | (0,5)          | —              |

**Geselecteerde gegevens van de geconsolideerde balans**
*(EUR miljoen)*

|                                                          | 2014           | 2013           | 2012           |
|----------------------------------------------------------|----------------|----------------|----------------|
| <b>Activa</b>                                            |                |                |                |
| Materiële vaste activa . . . . .                         | 523,5          | 525,4          | 391,4          |
| Immateriële activa . . . . .                             | 428,4          | 422,8          | 298,2          |
| Financiële activa . . . . .                              | 5,7            | 5,9            | 3,9            |
| Uitgestelde belastingvorderingen . . . . .               | 4,2            | 9,5            | 11,1           |
| <b>Totaal vaste activa . . . . .</b>                     | <b>961,8</b>   | <b>963,6</b>   | <b>704,6</b>   |
| Vorraden . . . . .                                       | 189,3          | 214,2          | 149,7          |
| Afgeleide financiële instrumenten . . . . .              | 9,3            | 0,2            | 0,3            |
| Actuele belastingvorderingen . . . . .                   | 0,2            | 0,9            | 0,9            |
| Handels- en overige vorderingen . . . . .                | 382,1          | 350,2          | 255,5          |
| Geldmiddelen en kas equivalenten . . . . .               | 96,6           | 86,1           | 95,3           |
| <b>Totaal vlottende activa . . . . .</b>                 | <b>677,5</b>   | <b>651,6</b>   | <b>501,7</b>   |
| <b>Activa aangehouden voor verkoop . . . . .</b>         | <b>3,8</b>     | <b>6,7</b>     | <b>—</b>       |
| <b>Totaal activa . . . . .</b>                           | <b>1.643,1</b> | <b>1.621,9</b> | <b>1.206,3</b> |
| <b>Eigen vermogen</b>                                    |                |                |                |
| Geplaatst kapitaal . . . . .                             | 5,9            | 5,9            | 4,3            |
| Agio . . . . .                                           | 440,7          | 440,7          | 259,8          |
| Overige reserves . . . . .                               | (8,9)          | (14,5)         | (10,0)         |
| Ingehouden winsten . . . . .                             | (117,8)        | (89,4)         | (72,0)         |
| Resultaat over het boekjaar . . . . .                    | 38,6           | (28,4)         | (17,4)         |
| <b>Totaal . . . . .</b>                                  | <b>358,5</b>   | <b>314,3</b>   | <b>164,7</b>   |
| Minderheidsbelangen . . . . .                            | 2,8            | 3,6            | —              |
| <b>Totaal eigen vermogen . . . . .</b>                   | <b>361,3</b>   | <b>317,9</b>   | <b>164,7</b>   |
| <b>Verplichtingen</b>                                    |                |                |                |
| Leningen en financieringsverplichtingen . . . . .        | 684,2          | 784,6          | 655,5          |
| Afgeleide financiële instrumenten . . . . .              | 11,1           | 10,6           | 10,9           |
| Voorzieningen voor personeelsbeloningen . . . . .        | 34,7           | 32,5           | 24,7           |
| Overige voorzieningen . . . . .                          | 2,1            | 4,2            | 1,6            |
| Uitgestelde belastingverplichtingen . . . . .            | 15,3           | 15,8           | 15,8           |
| <b>Totaal langlopende verplichtingen . . . . .</b>       | <b>747,4</b>   | <b>847,7</b>   | <b>708,5</b>   |
| Leningen en financieringsverplichtingen . . . . .        | 5,5            | 7,5            | 2,8            |
| Afgeleide financiële instrumenten . . . . .              | 1,9            | 4,5            | 1,3            |
| Handels- en overige schulden . . . . .                   | 498,0          | 427,5          | 320,4          |
| Actuele belastingverplichtingen . . . . .                | 12,3           | 2,1            | 5,9            |
| Voorzieningen . . . . .                                  | 16,7           | 12,6           | 2,7            |
| <b>Totaal kortlopende verplichtingen . . . . .</b>       | <b>534,4</b>   | <b>454,2</b>   | <b>333,1</b>   |
| <b>Verplichtingen aangehouden voor verkoop . . . . .</b> | <b>—</b>       | <b>2,1</b>     | <b>—</b>       |
| <b>Totaal verplichtingen . . . . .</b>                   | <b>1.281,8</b> | <b>1.304,0</b> | <b>1.041,6</b> |
| <b>Totaal eigen vermogen en verplichtingen . . . . .</b> | <b>1.643,1</b> | <b>1.621,9</b> | <b>1.206,3</b> |

# Geselecteerde gegevens van het geconsolideerde kasstroomoverzicht

(EUR miljoen)

|                                                                                                                   | 2014           | 2013           | 2012          |
|-------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>Kasstroom uit bedrijfsactiviteiten</b>                                                                         |                |                |               |
| <b>Winst/(verlies) na belasting met inbegrip van beëindigde bedrijfsactiviteiten</b>                              | <b>38,7</b>    | <b>(28,9)</b>  | <b>(17,4)</b> |
| <b>Aanpassingen voor:</b>                                                                                         |                |                |               |
| Afschrijvingen en waardeverminderingen                                                                            | 87,8           | 86,3           | 73,4          |
| Netto mutatie in reële waarde afgeleide financiële instrumenten opgenomen in winst en verlies en betaalde premies | (4,1)          | 2,7            | (0,5)         |
| Netto financieringskosten                                                                                         | 49,4           | 45,6           | 47,8          |
| (Winst)/verlies op verkoop materiële vaste activa                                                                 | (0,7)          | (0,3)          | (0,4)         |
| Winstbelastingen verlies/(winst)                                                                                  | 20,9           | 7,6            | 5,8           |
| Veranderingen in voorzieningen voor personeelsbeloningen en andere voorzieningen                                  | (5,1)          | 6,9            | 0,8           |
| <b>Netto kasstroom uit bedrijfsactiviteiten vóór wijziging in werkkapitaal</b>                                    | <b>186,9</b>   | <b>119,9</b>   | <b>109,5</b>  |
| <b>Mutatie in:</b>                                                                                                |                |                |               |
| Voorraden                                                                                                         | 14,9           | 4,2            | 3,4           |
| Handels-en overige vorderingen                                                                                    | (28,3)         | 16,4           | 29,6          |
| Handels-en overige schulden en overige te betalen posten                                                          | 41,5           | (7,5)          | (32,9)        |
| <b>Totaal mutaties in werkkapitaal</b>                                                                            | <b>28,1</b>    | <b>13,1</b>    | <b>0,1</b>    |
| Ontvangen rente                                                                                                   | 0,2            | 0,3            | 0,5           |
| Betaalde rente                                                                                                    | (48,1)         | (46,8)         | (50,6)        |
| Betaalde winstbelasting                                                                                           | (11,0)         | (16,4)         | (9,9)         |
| <b>Netto kasstroom uit bedrijfsactiviteiten</b>                                                                   | <b>156,1</b>   | <b>70,1</b>    | <b>49,6</b>   |
| <b>Kasstroom uit investeringsactiviteiten en acquisitie activiteiten</b>                                          |                |                |               |
| Ontvangsten verkoop van vaste activa                                                                              | 0,8            | 0,7            | 5,9           |
| Aankoop van materiële vaste activa                                                                                | (59,1)         | (47,3)         | (42,9)        |
| Aankoop van immateriële activa                                                                                    | (0,9)          | (0,4)          | (0,6)         |
| Aankoop/verkoop overige investeringen                                                                             | 20,6           | 0,6            | (0,2)         |
| Verwerving dochteronderneming, na aftrek verworven geldmiddelen                                                   | —              | (126,0)        | (6,0)         |
| Leningen verstrekt buiten de groep                                                                                | —              | (2,1)          | —             |
| <b>Netto kasstroom investerings- en acquisitie activiteiten</b>                                                   | <b>(38,6)</b>  | <b>(174,6)</b> | <b>(43,8)</b> |
| <b>Kasstroom uit financieringsactiviteiten</b>                                                                    |                |                |               |
| Ontvangsten leningen en financieringsverplichtingen                                                               | —              | 98,9           | —             |
| Terugbetaling leningen en financieringsverplichtingen                                                             | (106,3)        | (3,4)          | (2,8)         |
| <b>Netto kasstroom financieringsactiviteiten</b>                                                                  | <b>(106,3)</b> | <b>95,5</b>    | <b>(2,8)</b>  |
| Wisselkoerswijzigingen op geldmiddelen en kasequivalenten                                                         | (0,2)          | (0,8)          | 2,7           |
| <b>Mutatie geldmiddelen en kasequivalenten</b>                                                                    | <b>11,0</b>    | <b>(9,8)</b>   | <b>5,7</b>    |
| Geldmiddelen en kasequivalenten op 1 januari                                                                      | 85,6           | 95,3           | 89,6          |
| Geldmiddelen en kasequivalenten op 31 december                                                                    | 96,6           | 85,6           | 95,3          |

## Niet-IFRS financiële maatstaven en andere indicatoren

De hieronder weergegeven tabel verstrekt bepaalde niet-IFRS financiële maatstaven en relevante bedrijfsgegevens voor de jaren eindigend 31 december 2014, 2013 en 2012. Het zijn geen erkende maatstaven van financiële prestaties volgens IFRS en zijn niet gecontroleerd of beoordeeld. Deze niet-IFRS financiële maatstaven en bedrijfsgegevens worden verstrekt omdat zij door management gebruikt worden om toezicht te houden op de onderliggende prestaties van het bedrijf en haar activiteiten.

|                                                               | 2014                    | 2013                    | 2012                    |
|---------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                               | (niet<br>gecontroleerd) | (niet<br>gecontroleerd) | (niet<br>gecontroleerd) |
| <b>EBITDA<sup>(1)</sup> (EUR miljoenen)</b> .....             | 194,6                   | 110,7                   | 109,6 <sup>(7)</sup>    |
| <b>Aangepaste EBIT<sup>(2)</sup> (EUR miljoenen)</b> .....    | 120,4                   | 53,4                    | 43,1                    |
| <b>Aangepaste EBITDA<sup>(3)</sup> (EUR miljoenen)</b> .....  | 208,2                   | 139,7                   | 116,5 <sup>(7)</sup>    |
| <b>Volume (miljoen liter)</b> .....                           | 5.968,9                 | 5.054,0                 | 4.943,9                 |
| <b>Bruto winstmarge/liter<sup>(4)</sup> (eurocent)</b> .....  | 14,2                    | 12,2                    | 11,7                    |
| <b>Aangepaste EBITDA/liter (eurocent)</b> .....               | 3,5                     | 2,8                     | 2,4                     |
| <b>Netto Schuld/Aangepaste EBITDA<sup>(5)</sup> (x)</b> ..... | 2,8x                    | 5,1x                    | 4,8x                    |
| <b>Kasstroom conversie<sup>(6)</sup></b> .....                | 60,2 %                  | 65,9 %                  | 62,7 %                  |
| <b>Kapitaalrendement<sup>(7)</sup></b> .....                  | 12,2 %                  | 5,6 %                   | 6,0 %                   |

Notities:

- (1) EBITDA, door de Vennootschap gedefinieerd als resultaat uit bedrijfsactiviteiten vóór afschrijvingen en bijzondere waardeverminderingen. Voor een rondrekening van EBITDA naar resultaat uit bedrijfsactiviteiten in de periodes die beoordeeld worden, zie “*Selected Financial Information – Non-IFRS Financial Measures and Other Indicators*”.
- (2) Aangepaste EBIT, door de Vennootschap gedefinieerd als EBIT (door de Vennootschap gedefinieerd als resultaat uit bedrijfsactiviteiten) exclusief de kosten in verband met de combinatie met Gerber en andere buitengewone kosten.
- (3) Aangepaste EBITDA, door de Vennootschap gedefinieerd als EBITDA exclusief de kosten in verband met de combinatie met Gerber en andere buitengewone kosten. Voor een rondrekening van EBITDA en Aangepaste EBITDA naar bedrijfsresultaat in de periodes die beoordeeld worden, zie “*Selected Financial Information – Non-IFRS Financial Measures and Other Indicators*”.

|                                                          | Jaar eindigend 31 december |                         |                         |
|----------------------------------------------------------|----------------------------|-------------------------|-------------------------|
|                                                          | 2014                       | 2013                    | 2012                    |
|                                                          | (niet<br>gecontroleerd)    | (niet<br>gecontroleerd) | (niet<br>gecontroleerd) |
| <i>(EUR miljoenen)</i>                                   |                            |                         |                         |
| <b>Resultaat uit bedrijfsactiviteiten</b> .....          | 106,8                      | 24,4                    | 36,2                    |
| Afschrijvingen en bijzondere waardeverminderingen, ..... | 87,8                       | 86,3                    | 73,4                    |
| <b>EBITDA</b> .....                                      | 194,6                      | 110,7                   | 109,6                   |
| Verwerving/fusie kosten .....                            | 3,3                        | 9,4                     | 2,2                     |
| Kosten herfinanciering .....                             | —                          | —                       | 0,3                     |
| Reële waarde aanpassingenvoorraden .....                 | —                          | 5,0                     | —                       |
| Kosten van herstructurering .....                        | 4,5                        | 14,2                    | 4,4                     |
| Andere incidentele kosten .....                          | 5,8                        | 0,4                     | —                       |
| <b>Aangepaste EBITDA</b> .....                           | 208,2                      | 139,7                   | 116,5                   |
| Afschrijvingen en bijzondere waardeverminderingen .....  | (87,8)                     | (86,3)                  | (73,4)                  |
| <b>Aangepaste EBIT</b> .....                             | <b>120,4</b>               | <b>53,4</b>             | <b>43,1</b>             |

- (4) Bruto winstmarge per liter, door de Vennootschap gedefinieerd als omzet en overige inkomsten minus andere verkoopkosten, kosten van grondstoffen, kosten van gebruikte verbruiksgoederen, gedeeld door het aantal verkochte liters
- (5) Netto Schuld (alleen gebruikt voor het berekenen van de Netto Schuld/Aangepaste EBITDA verhouding), door de Vennootschap gedefinieerd als de nominale waarde van de rentedragende financiële verplichtingen na aftrek van geactiveerde financieringskosten, minus netto geldmiddelen en kasequivalenten (met inbegrip van geldmiddelen geclassificeerd als aangehouden voor verkoop, na aftrek van de schulden aan kredietinstellingen)
- (6) Kasstroom conversie, door de Vennootschap gedefinieerd als het resultaat van de Aangepaste EBITDA minus kapitaalinvesteringen gedeeld door Aangepaste EBITDA.



(7) Kapitaalrendement of rendement op belegd vermogen (“ROCE”), door de Vennootschap gedefinieerd als Aangepaste EBIT voor waardeverminderingen op goodwill, gedeeld door het resultaat van de langlopende activa, plus werkkapitaal, minus personeelsbeloningen.

|      |                                                           |                                                                                                                                                                                                                     |
|------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B.8  | Geselecteerde belangrijke pro forma financiële informatie | Niet van toepassing. Er is geen pro forma financiële informatie opgenomen in het Prospectus.                                                                                                                        |
| B.9  | Winstprognose                                             | Niet van toepassing. De Vennootschap heeft geen winstprognose afgegeven.                                                                                                                                            |
| B.10 | Eerdere controleverklaringen met kwalificaties            | Niet van toepassing. Er zijn geen kwalificaties opgenomen in de onafhankelijke controleverklaringen met betrekking tot de historische financiële informatie voor de jaren eindigend 31 december 2012, 2013 en 2014. |
| B.11 | Werkkapitaal                                              | De Vennootschap is van mening dat het werkkapitaal dat beschikbaar is voor de Groep voldoet aan de huidige eisen voor de Groep; dat wil zeggen, ten minste 12 maanden na de datum van het Prospectus.               |

## AFDELING C – EFFECTEN

|     |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C   | Type en klasse Aandelen en identificatiecode            | De Aandelen zijn gewone aandelen in het geplaatste en uitstaande aandelenkapitaal van de Vennootschap met een nominale waarde van EUR0,12 per stuk.<br><br>Er is een aanvraag ingediend om alle Aandelen te noteren onder het symbool “RFRG” aan Euronext Amsterdam onder ISIN-code NL0011214010.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| C.2 | Valuta van de Aandelen                                  | De Aandelen worden genoteerd en verhandeld in euro.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| C.3 | Aantal uitgegeven Aandelen, nominale waarde per aandeel | Op de datum van het Prospectus is het aandelenkapitaal van de Vennootschap verdeeld in de volgende klassen: klasse A gewone aandelen, klasse A1A gewone aandelen, klasse A1B gewone aandelen, één klasse A2 gewoon aandeel, klasse B gewone aandelen en één klasse B1 gewoon aandeel. De Vennootschap heeft 594.200.860 aandelen uitgegeven, waarvan 430.733.300 klasse A gewone aandelen zijn, 64.800 klasse A1A gewone aandelen zijn, 21.161 klasse A1B gewone aandelen zijn, één klasse A2 gewoon aandeel is, 163.381.597 klasse B gewone aandelen zijn en één klasse B1 gewoon aandeel is. Alle aandelen hebben een nominale waarde van EUR0,01. Alle Aandelen zullen, indien geplaatst en uitstaand, onderworpen zijn aan Nederlands recht. Zodra de beoogde wijziging van de statuten van de Vennootschap op de Afwikkelingsdatum effectief wordt (welke wijziging ook de omzetting van alle aandelenklassen in Aandelen omvat), maar voorafgaand aan de uitgifte van de Nieuw Aangeboden Aandelen, bedraagt het aantal geplaatste Aandelen 74.264.363, waarbij elk Aandeel een nominale waarde vertegenwoordigt van EUR0,12. |
| C.4 | Rechten verbonden aan de effecten                       | Elke verwijzing hiernaar de “ <b>Statuten</b> ” is een verwijzing naar de statuten van de Vennootschap zoals deze luiden na de beoogde wijziging op de Afwikkelingsdatum. Op de Aandelen rust een dividendrecht. Elk Aandeel geeft de houder recht op het uitbrengen van één stem tijdens de algemene vergadering van de Vennootschap (de “ <b>Algemene Vergadering</b> ”). Er gelden geen stemrechtbeperkingen.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

Nederlands recht en de Statuten bieden de houders van aandelen (de “**Aandeelhouders**”) in beginsel een voorkeursrecht om zich op een *pro rata* basis aan te melden voor nieuwe Aandelen in geval van een uitgifte, of, in geval van een toekenning van rechten, zich in te schrijven voor Aandelen. Uitzonderingen voor deze voorkeursrechten omvatten o.a. (i) de uitgifte van Aandelen tegen inbreng in natura, (ii) de uitgifte van Aandelen aan werknemers van de Vennootschap of aan werknemers van een groepsvennootschap, zoals omschreven in artikel 2:24b van het Burgerlijk Wetboek, en (iii) de uitgifte van Aandelen aan personen die een eerder toegekend recht van inschrijving op de Aandelen uitoefenen. Ingevolge de Statuten is de raad van bestuur van de Vennootschap (de “**Raad van Bestuur**”) bevoegd, behoudens goedkeuring van de raad van commissarissen van de Vennootschap (de “**Raad van Commissarissen**”), de voorkeursrechten van Aandeelhouders te beperken, en indien de Raad van Bestuur daartoe door de Algemene Vergadering is gemachtigd, uit te sluiten.

De Raad van Bestuur, behoudens toestemming van de Raad van Commissarissen, beschikt over de bevoegdheid om Aandelen uit te geven voor een periode van 18 maanden na de Afwikkelingsdatum en om voorkeursrechten die aan deze Aandelen verbonden zijn te beperken en uit te sluiten. Ingevolge deze machtiging, kan de Raad van Bestuur besluiten om Aandelen uit te geven tot een maximum van 10 % van het aantal Aandelen zoals uitgegeven op de Afwikkelingsdatum, en om voorkeursrechten te beperken en uit te sluiten in verband daarmee.

De verwachting is dat de Algemene Vergadering, voorafgaand aan de Afwikkelingsdatum, een besluit zal nemen tot het uitgeven van Nieuw Aangeboden Aandelen met als doel een bruto-opbrengst van ongeveer EUR100 miljoen en de voorkeursrechten die verband houden met deze uitgifte van Nieuw Aangeboden Aandelen zal uitsluiten. De uitgifte van de Nieuw Aangeboden Aandelen zal derhalve geen invloed hebben op de bevoegdheid van de Raad van Bestuur om Aandelen uit te geven zoals hierboven omschreven.

C.5 Beperkingen op de overdraagbaarheid van de effecten

De Statuten bevatten geen beperkingen ten aanzien van de overdraagbaarheid van de Aandelen.

Niettemin, het aanbieden van het Aanbod aan personen die gevestigd zijn in, of ingezetene of inwoners zijn van, of een geregistreerd adres hebben in een ander land dan Nederland, evenals de overdracht van de Aangeboden Aandelen naar een ander rechtsgebied dan Nederland, kan aan specifieke regels en beperkingen onderworpen zijn.

C.6 Notering en toelating tot verhandeling

Voorafgaande aan het Aanbod is er geen openbare markt voor de Aandelen. Er is een aanvraag ingediend voor een notering van de Aandelen onder het symbool “RFRG” aan Euronext Amsterdam. Afhankelijk van een eventuele inkorting of verlenging van het tijdschema van het Aanbod, wordt verwacht dat de handel in de Aandelen aan Euronext Amsterdam zal beginnen, op een “*as-if-and-when-issued-delivered*” basis op of rond 27 maart 2015 (de “**Eerste Handelsdatum**”).

C.7 Dividendbeleid

De Vennootschap is voornemens om een dividenduitkeringsbeleid toe te passen die een dividenduitkering van 35 % tot 50 % van het aangepaste netto inkomen nastreeft.

AFDELING D – RISICO'S

D.1 Voornaamste risico's die specifiek zijn voor de Groep en de branche

**Risico's met betrekking tot de bedrijfsvoering, strategie en activiteiten van de Vennootschap**

- De Vennootschap kan fluctuaties in de prijs van grondstoffen en verpakkingsmaterialen ervaren, die moeilijk aan de klant door te belasten zijn.
- De bedrijfsvoering van de Vennootschap is afhankelijk van een aanzienlijke levering van grondstoffen en verpakkingsmaterialen door een beperkt aantal leveranciers.
- De Vennootschap realiseert de groeikansen van het bedrijf, de voordelen uit marges en andere verwachte synergiën die voortvloeien uit de combinatie met Gerber, geëffectueerd op 11 november 2013 mogelijk niet, of zou onvoorziene kosten kunnen verbeuren in verband daarmee of als gevolg daarvan.
- De Vennootschap kan er mogelijk niet in slagen om andere ondernemingen te verwerven of verwachte synergiën met betrekking tot de integratie van toekomstige acquisities te realiseren.
- De Vennootschap kan haar doelstellingen zoals vermeld in het Prospectus mogelijk volledig of gedeeltelijk niet bereiken.
- De middellange termijn doelen in het Prospectus kunnen materieel verschillen van de daadwerkelijke resultaten van de Vennootschap en investeerders dienen hier niet onterecht op te vertrouwen.
- Een paar belangrijke klanten dragen bij aan een aanzienlijk deel van de omzet van de Vennootschap. Een vermindering van inkomsten van deze klanten kan een wezenlijk nadelig effect hebben op de bedrijfsvoering, bedrijfsresultaten, financiële conditie en vooruitzichten van de Vennootschap.
- De meerderheid van de klanten van de Vennootschap zijn groot en geavanceerd en hebben aanzienlijke kopersmacht die potentiële groei en winst van de Vennootschap kunnen beperken.
- Vraag voor de producten van de Vennootschap kan aanmerkelijk nadelig beïnvloed worden door veranderingen in de voorkeuren van klanten en eindgebruikers.
- De omzet van de Vennootschap is onderworpen aan seizoensfluctuaties in de vraag van klanten en eindgebruikers.
- De Vennootschap kan mogelijk niet kostconcurrerend blijven of de verwachte kostenbesparingen of de

operationele efficiëntie van haar kostenbesparingsinitiatieven niet volledig realiseren.

- De Vennootschap is actief in een zeer concurrerende branche voor huismerk fabrikanten en de concurrentiedruk in de huismerkfrisdranken markt kan een wezenlijk nadelig effect hebben op haar bedrijfsvoering, bedrijfsresultaten, financiële conditie en vooruitzichten.
- De Vennootschap is actief in een zeer concurrerende branche voor contract fabrikanten en de concurrentiedruk in de co-packing frisdranken markt kan een wezenlijk nadelig effect hebben op haar bedrijfsvoering, bedrijfsresultaten, financiële conditie en vooruitzichten.
- Het verlies van leden van de Raad van Bestuur, het er niet in slagen bestuursleden met de juiste kwalificaties, ervaring en zakelijke relaties aan te trekken of te houden, of een toename van personeelskosten kan een wezenlijk nadelig effect hebben op de bedrijfsvoering van de Vennootschap.
- De Vennootschap kan nadelig beïnvloed worden door stakingen en andere arbeidsgerelateerde zaken.
- De Vennootschap is afhankelijk van derden voor vervoer van haar bevoorrading en eindproducten, en een verstoring in hun dienstverlening of een verhoging van hun kosten zou de bedrijfsvoering, financiële conditie en bedrijfsresultaten van de Vennootschap nadelig kunnen beïnvloeden.
- De bedrijfsresultaten van de Vennootschap kunnen nadelig worden beïnvloed door een verstoring van haar productie- en opslagfaciliteiten.
- Inconsequente kwaliteit of bevuiling van de producten van de Vennootschap of producten die vergelijkbaar zijn aan of in dezelfde categorie vallen als de producten van de Vennootschap, kunnen de integriteit van, en de klantenondersteuning voor de producten van de Vennootschap schaden en de verkoop van die merken nadelig beïnvloeden.
- De bedrijfsresultaten van de Vennootschap kunnen nadelig worden beïnvloed door een verstoring van haar informatietechnologiesystemen of het er niet in slagen dergelijke systemen te ontwikkelen.
- Het kan zijn dat de Vennootschap haar intellectuele eigendomsrechten niet kan beschermen.
- Eventuele toekomstige waardeverminderingen van immateriële activa kunnen een wezenlijk nadelig effect hebben op de bedrijfsvoering, financiële conditie en bedrijfsresultaten van de Vennootschap.
- De voorwaarden van de financieringsarrangementen van de Vennootschap kunnen haar commerciële en financiële flexibiliteit beperken.
- De Vennootschap kan er mogelijk niet in slagen regelmatige kapitaaluitgaven en investeringen te doen en upgrades door te voeren. Dit kan een wezenlijk nadelig effect hebben op de bedrijfsvoering van de Vennootschap.

- Veranderingen in technologie kunnen de concurrentiepositie van de Vennootschap in de toekomst beïnvloeden.
- De resultaten van de Vennootschap zijn afhankelijk van algemene economische omstandigheden en kunnen worden beïnvloed door een verslechtering van de economische omstandigheden op markten waar zij actief is.
- De Vennootschap is blootgesteld aan risico's in verband met de pensioenverplichtingen van de Vennootschap.
- Fluctuaties in de wisselkoers kunnen een wezenlijk nadelig effect hebben op de bedrijfsvoering, financiële conditie en bedrijfsresultaten van de Vennootschap.
- De Vennootschap is blootgesteld aan rentevoet risico's.
- De aanmerkelijke schuld en de verplichtingen tot onderhoud daarvan zouden de hoeveelheid contant geld dat de Vennootschap beschikbaar heeft voor andere doeleinden kunnen beperken. Dit zou een wezenlijk nadelig effect kunnen hebben op haar onderneming, financiële conditie en resultaten uit bedrijfsactiviteiten.
- De Vennootschap heeft een aanzienlijke hoeveelheid geldmiddelen nodig om haar schulden af te lossen, en het vermogen van de Vennootschap om voldoende geldmiddelen te genereren is afhankelijk van een groot aantal factoren, waarvan sommigen buiten de invloedssfeer van de Vennootschap vallen.
- Kredietbeoordelingen zouden niet alle risico's kunnen weergeven, worden niet aanbevolen om aandelen te kopen of te houden en kunnen op ieder moment onderworpen worden aan herziening, opschorting en terugtrekking.
- De Vennootschap is een houdstermaatschappij die beperkte activa bezit en een beperkt vermogen heeft om omzet te genereren. De Vennootschap is afhankelijk van haar dochtermaatschappijen voor geldmiddelen om haar verplichtingen te dekken.
- De Vennootschap is onderworpen aan significante beperkende schuldconvenanten, welke haar financiële en werkzame flexibiliteit.
- De Vennootschap zou niet in staat kunnen zijn haar schuldverplichtingen te herfinancieren onder gunstige voorwaarden, of in het geheel niet, en zou aanvullende kosten kunnen maken.

#### **Risico's met betrekking tot wetgeving, regelgeving en belastingzaken**

- De bedrijfsvoering en productiefaciliteiten van de Vennootschap zijn onderworpen aan ingrijpende milieuregelgeving en het niet naleven van dergelijke regelgeving, of veranderingen in dergelijke regelgeving, kunnen leiden tot een verstoring van operationele activiteiten en hogere kosten.
- De bedrijfsvoering en producten van de Vennootschap zijn onderworpen aan ingrijpende voedselveiligheidsvoorschriften en het niet naleven van

dergelijke voorschriften, of veranderingen in dergelijke voorschriften, kunnen leiden tot een verstoring van operationele activiteiten en hogere kosten.

- Als de producten van de Vennootschap niet voldoen aan de vereisten van de wet, regelgeving of van de klant, zal de Vennootschap mogelijk haar producten moeten herroepen.
- De Vennootschap is blootgesteld aan verschillende economische, juridische, fiscale en andere gerelateerde risico's vanwege het internationale karakter van de bedrijfsvoering van de Vennootschap.
- Als de Vennootschap niet in staat is volledig van haar uitgestelde belastingvorderingen gebruik te maken, zou haar winstgevendheid kunnen afnemen.
- De Vennootschap kan worden blootgesteld aan belastingverplichtingen die voortvloeien uit bepaalde belastingcontroles.
- De Vennootschap kan getroffen worden door juridische procedures, met inbegrip van product aansprakelijkheidsvorderingen.
- De Vennootschap kan onbedoeld inbreuk maken op intellectuele eigendomsrechten van derden of afhankelijk worden van het verlenen van licenties voor intellectuele eigendom door derden.

D.3 Voornaamste risico's met betrekking tot de Aandelen

**Risico's met betrekking tot het Aanbod en de Aandelen**

- Na het Aanbod zullen de Verkopende Aandeelhouders een deel van hun huidige aandelen behouden en de belangen van de Verkopende Aandeelhouders zouden niet samen kunnen vallen met de belangen van de overige Aandeelhouders.
- Toekomstige aanbiedingen van aandelen in het vreemd of eigen vermogen van de Vennootschap kunnen een negatief effect hebben op de beurskoers van de Aandelen en kunnen het aandelenbelang van beleggers doen verwateren.
- Aandeelhouders buiten Nederland kunnen bij toekomstige aanbiedingen mogelijk geen voorkeursrechten uitoefenen.
- Er is een risico dat zich geen actieve en liquide markt voor de Aandelen ontwikkelt en dat de koers voor de Aandelen volatiel is.
- Indien afwikkeling van het Aanbod niet plaatsvindt, worden aankopen van de Aangeboden Aandelen als niet gedaan beschouwd en zullen transacties in de Aangeboden Aandelen die hebben plaatsgevonden worden vernietigd.
- Beleggers met een referentievaluta anders dan de euro lopen bepaalde wisselkoersrisico's bij het investeren in de Aandelen.

## AFDELING E – AANBOD

### E.1 Netto opbrengst en geraamde kosten

De Vennootschap zal alleen de opbrengst van het Aanbod die voortvloeit uit de uitgifte en verkoop van de Nieuw Aangeboden Aandelen ontvangen, met als doel een bruto-opbrengst van ongeveer EUR100 miljoen. De kosten voor de Vennootschap in verband met het Aanbod zullen naar verwachting niet meer dan EUR26,1 miljoen bedragen, met inbegrip van underwriting commissies (ten aanzien van de Nieuw Aangeboden Aandelen, de Bestaande Aangeboden Aandelen en de Additionele Aandelen (voor zover daar sprake van is)) van ten hoogste EUR13,8 miljoen, en bepaalde andere uitgaven van ten hoogste EUR12,3 miljoen (inclusief alle kosten van de Verkopende Aandeelhouders die door de Vennootschap worden betaald).

Uitgaande van de maximale kosten in verband met het Aanbod, schat de Vennootschap dat de netto opbrengsten van de verkoop van de Nieuw Aangeboden Aandelen voor de Vennootschap circa EUR73,9 bedragen.

### E.2a Redenen voor het Aanbod en gebruik van de opbrengst

De Vennootschap zal de netto opbrengst van de verkoop van de Nieuw Aangeboden Aandelen, en haar kasreserves, gebruiken voor het gedeeltelijk aflossen van een bedrag van EUR100 miljoen op haar variabel rentende *senior secured notes*. De Vennootschap doelt op een leverageratio (gedefinieerd als Netto Schuld gedeeld door Aangepaste EBITDA) van circa ten hoogste 2,5x na afwikkeling van het Aanbod.

De Vennootschap zal geen opbrengsten ontvangen van de verkoop van de Bestaande Aangeboden Aandelen of Additioneel Aandelen door de Verkopende Aandeelhouders, welke opbrengsten door de Verkopende Aandeelhouders worden ontvangen.

### E.3 Voorwaarden van het Aanbod

#### **Aangeboden Aandelen**

De Vennootschap biedt Nieuw Aangeboden Aandelen aan voor inschrijving met als doel een bruto-opbrengst van ongeveer EUR100 miljoen en de Verkopende Aandeelhouders bieden ten hoogste 30.930.662 Bestaande Aangeboden Aandelen aan.

Het Aanbod bestaat uit (a) een openbaar aanbod aan institutionele en particuliere beleggers in Nederland, en (b) een onderhandse plaatsing bij bepaalde institutionele investeerders in verschillende andere jurisdicties. De Aangeboden Aandelen worden: (i) verkocht in de Verenigde Staten, slechts aan personen waarvan in redelijkheid kan worden gemeend dat zij “qualified institutional buyers” zijn, zoals gedefinieerd in Rule 144A (“**Rule 144A**”) onder de US Securities Act van 1993 (de “**US Securities Act**”), zoals gewijzigd, met beroep op Rule 144A en het relevante staatseffectenrecht; en (ii) aangeboden en verkocht buiten de Verenigde Staten, aan investeerders met inachtneming van Regulation S van de US Securities Act. Het Aanbod wordt alleen gedaan in die jurisdicties waarin, en uitsluitend aan die personen aan wie, het Aanbod rechtsgeldig gedaan mag worden.



## Overtoeijingsoptie

De Verkopende Aandeelhouders hebben J.P. Morgan Securities plc en Credit Suisse Securities (Europe) Limited (de “**Joint Global Coordinators**”) namens ABN AMRO Bank N.V., HSBC Bank plc, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., en Société Générale (samen met de Joint Global Coordinators, de “**Underwriters**”), een overtoewijzingsoptie (de “**Overtoeijingsoptie**”) toegekend, uitoefenbaar binnen de 30 kalenderdagen na de Eerste Handelsdatum, op grond waarvan de Joint Global Coordinators, namens de Underwriters, kunnen eisen dat sommige van de Verkopende Aandeelhouders tegen de aanbiedingsprijs van de Aangeboden Aandelen (de “**Aanbiedingsprijs**”) ten hoogste 5.793.446 door hen gehouden extra aandelen verkopen, wat 15 % omvat van het totaal aantal Aangeboden Aandelen verkocht tijdens het Aanbod (de “**Additionele Aangeboden Aandelen**”), (pro rata naar de Bestaande Aangeboden Aandelen die worden aangeboden door die Verkopende Aandeelhouders, met in achtneming van een limiet voor Okil die niet meer dan een derde van haar Aandelen zal verkopen in het Aanbod), ten einde eventuele short posities te dekken die voortvloeien uit overtoewijzingen in verband met het Aanbod.

Aandelen die deel uitmaken van het Aanbod

|                                    | Maximaal aantal<br>toebedeelde<br>Aandelen zonder<br>gebruik te maken<br>van de<br>Overtoeijingsoptie | Maximaal aantal<br>toebedeelde<br>Aandelen met<br>volledige<br>gebruikmaking<br>van de<br>Overtoeijingsoptie |
|------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Aangeboden Aandelen                | 38.622.970                                                                                            | 38.622.970                                                                                                   |
| Additionele Aangeboden<br>Aandelen | –                                                                                                     | 5.793.446                                                                                                    |
| <b>Totaal</b>                      | <b>38.622.970</b>                                                                                     | <b>44.416.416</b>                                                                                            |

## Aanbiedingsperiode

De hieronder weergegeven tabel vermeldt bepaalde verwachte belangrijke data voor het Aanbod.

| Gebeurtenis                                                                                          | Tijd (CET) en datum        |
|------------------------------------------------------------------------------------------------------|----------------------------|
| Start van de periode waarin het Aanbod plaatsvindt (de “ <b>Aanbiedingsperiode</b> ”)                | 17 maart 2015 om 9:00 CET  |
| Einde van de Aanbiedingsperiode voor Nederlandse Particuliere Beleggers (zoals hieronder omschreven) | 25 maart 2015 om 17.30 CET |
| Einde van de Aanbiedingsperiode voor overige beleggers                                               | 26 maart 2015 om 17.30 CET |
| Waardering en toewijzing                                                                             | 26 maart 2015              |
| Publicatie van de resultaten van het Aanbod                                                          | 27 maart 2015              |
| Eerste Handelsdatum (verhandeling op een ‘as-if-and-when-issued/delivered’ basis)                    | 27 maart 2015              |
| Afwikkelingsdatum (betaling en levering)                                                             | 31 maart 2015              |

Houdt er rekening mee dat de Vennootschap en de Verkopende Aandeelhouders, samen met de Joint Global Coordinators, zich het recht voorbehouden de Aanbiedingsperiode in te korten of te verlengen.

### **Aanbiedingsprijs en aantal Aangeboden Aandelen**

De Aanbiedingsprijs kan vastgesteld worden tussen, boven of onder een prijsbandbreedte van EUR13 en EUR16 per Aangeboden Aandeel (de “**Prijsbandbreedte van het Aanbod**”). De Prijsbandbreedte van het Aanbod is een indicatieve bandbreedte. De Aanbiedingsprijs en het daadwerkelijke aantal Aangeboden Aandelen en, indien van toepassing, de Additionele Aangeboden Aandelen zullen worden bepaald nadat de Aanbiedingsperiode is beëindigd door de Vennootschap en de Verkopende Aandeelhouders en in overleg met de Joint Global Coordinators, namens de Underwriters, op basis van het *book-building* proces, met inachtneming van economische factoren en marktomstandigheden, een kwalitatieve en kwantitatieve beoordeling van de vraag naar de Aangeboden Aandelen en overige toepasselijk geachte factoren. De Aanbiedingsprijs en het daadwerkelijke aantal te verkopen Aangeboden Aandelen en het maximum aantal Additionele Aangeboden Aandelen zullen worden vermeld in een prijs verklaring (de “**Prijs Verklaring**”) die wordt ingediend bij de Stichting Autoriteit Financiële Markten (de “**AFM**”) en bekendgemaakt door middel van een persbericht op de website van de Vennootschap. De Prijsbandbreedte van het Aanbod is een indicatieve prijsbandbreedte. De Vennootschap en de Verkopende Aandeelhouders behouden zich het recht voor om vóór het eind van de Aanbiedingsperiode, na overleg met de Joint Global Coordinators, de Prijsbandbreedte van het Aanbod te wijzigen en/of het maximum aantal Aangeboden Aandelen te verhogen of te verlagen. Een dergelijke wijziging wordt vóór het eind van de Aanbiedingsperiode bekendgemaakt door middel van een persbericht (dat tevens wordt gepubliceerd op de website van de Vennootschap).

### **Aanmelding en Toewijzing**

Nederlandse Particuliere Beleggers (zoals hieronder omschreven) kunnen alleen aanmelden op bestens basis. Dit betekent dat Nederlandse particuliere beleggers gehouden zijn om de Aangeboden Aandelen vermeld in hun aandelen aanvraag, te kopen en daarvoor te betalen, voor zover deze aan hen zijn toegewezen, tegen de Aanbiedingsprijs, zelfs als de Aanbiedingsprijs boven de bovenkant van de Prijsbandbreedte van het Aanbod ligt (indien van toepassing, zoals gewijzigd). Nederlandse Particuliere Beleggers zijn gerechtigd hun aanvraag te annuleren of te wijzigen, bij de financiële tussenpersoon aan wie zij hun aanvraag hebben ingediend, te allen tijde tot het einde van de Aanbiedingsperiode (indien van toepassing, zoals versneld of verlengd).

Toewijzing van de Aangeboden Aandelen vindt naar verwachting plaats na afloop van de Aanbiedingsperiode, verwacht op 26 maart 2015 behoudens een eventuele inkorting of verlenging van het tijdschema van het Aanbod. Toewijzingen aan beleggers die zich hebben aangemeld voor een inschrijving voor de Aangeboden Aandelen zullen worden bepaald door de Vennootschap en de Verkopende Aandeelhouders, in overleg met de Joint Global Coordinators, en volledige discretie zal worden uitgeoefend ten aanzien van de vraag of, en hoe, de Aangeboden Aandelen waarop is

ingeschreven worden toegewezen. Er is geen maximum of minimum aantal Aangeboden Aandelen waarvoor potentiële beleggers kunnen inschrijven en meerdere (aanmeldingen voor) inschrijvingen zijn toegestaan. In geval er voor het Aanbod is overingeschreven, kunnen beleggers mogelijk minder Aangeboden Aandelen ontvangen dan waarvoor zij een aanmelding tot inschrijving hebben gedaan.

### **Preferente Particuliere Toewijzing**

Er zal een preferente toewijzing van de Aangeboden Aandelen aan daarvoor in aanmerking komende particuliere beleggers in Nederland (de “**Preferente Particuliere Toewijzing**”) plaatsvinden. Aan iedere daarvoor in aanmerking komende particuliere belegger in Nederland (ieder een “**Nederlandse Particuliere Belegger**”) zullen de eerste 250 (of minder) Aangeboden Aandelen waarvoor een dergelijke belegger zich inschrijft worden toegewezen, met dien verstande dat indien het totaal aantal Aangeboden Aandelen waarvoor de Nederlandse Particuliere Beleggers zich hebben ingeschreven onder de Preferente Particuliere Toewijzing 10 % van het totaal aantal Aangeboden Aandelen, er van uitgaande dat de Overtoewijzingsoptie niet wordt uitgeoefend, zou overschrijden, de preferente toewijzing aan iedere Nederlandse Particuliere Belegger *pro rata* kan plaatsvinden tot aan de eerste 250 (of minder) Aangeboden Aandelen waarvoor een dergelijke belegger zich aanmeldt. Derhalve kan het zijn dat de Nederlandse Particuliere Beleggers niet alle eerste 250 (of minder) Aangeboden Aandelen worden toegewezen waarvoor zij zich hebben aangemeld. Het exacte aantal Aangeboden Aandelen dat wordt toegewezen aan Nederlandse Particuliere Beleggers zal worden vastgesteld na beëindiging van de Aanbiedingsperiode.

Om in aanmerking te komen voor de Preferente Particuliere Toewijzing moeten Nederlandse Particuliere Beleggers hun inschrijving indienen tussen 17 maart 2015 om 9:00 CET en 25 maart 2015 om 17:30 CET via financiële tussenpersonen. Financiële tussenpersonen kunnen verschillende termijnen toepassen voor de inschrijving voor het einde van de Aanbiedingsperiode. ABN AMRO Bank N.V. zal als de retail coordinator de financiële tussenpersonen informeren over het totale aantal Aangeboden Aandelen dat is toegewezen aan de individuele Nederlandse Particuliere Beleggers.

### **Betaling**

Betaling (in euro) voor de Aangeboden Aandelen en betaling (in euro) voor de Additionele Aangeboden Aandelen op grond van de Overtoewijzingsoptie, indien uitoefening van deze optie heeft plaatsgevonden vóór de Afwikkelingsdatum, zal naar verwachting plaatsvinden op de Afwikkelingsdatum. Eventuele belasting en kosten, komen voor rekening van de investeerder. Financiële tussenpersonen kunnen hun Nederlandse Particuliere Beleggers kosten in rekening brengen. Beleggers dienen de Aanbiedingsprijs te betalen in onmiddellijk beschikbare geldmiddelen op of vóór de Afwikkelingsdatum (of eerder in geval de Aanbiedingsperiode eerder sluit en de daaropvolgende prijsstelling, toewijzing, eerste handel en betaling en levering worden vervroegd).

### **Levering van de Aandelen**

Levering van de Aangeboden Aandelen zal naar verwachting plaatsvinden op de Afwikkelingsdatum door middel van de *book-entry* faciliteiten van het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. Indien afwikkeling van het Aanbod niet plaatsvindt op de Afwikkelingsdatum of helemaal niet plaatsvindt, zal het Aanbod worden ingetrokken, zullen alle aanvragen worden genegeerd, zullen eventuele toewijzingen worden geacht niet te zijn gedaan, zullen eventuele betalingen worden teruggestort zonder rente of andere compensatie. Het risico van alle handelingen in de Aandelen vóór afwikkeling en levering komt uitsluitend voor het risico van de betrokken partijen.

### **Underwriting Overeenkomst**

De Vennootschap, de Verkopende Aandeelhouders en de Underwriters hebben een underwriting overeenkomst (de “**Underwriting Overeenkomst**”) gesloten met betrekking tot het Aanbod en de verkoop van de Aangeboden Aandelen. Op grond van de bepalingen van en met inachtneming van de voorwaarden van de Underwriting Overeenkomst, verplichten de Underwriters zich afzonderlijk, onder bepaalde voorwaarden, de Aangeboden Aandelen te kopen en verplicht de Vennootschap zich de Nieuw Aangeboden Aandelen uit te geven en te verkopen en verplicht ieder van de Verkopende Aandeelhouders zich afzonderlijk de Bestaande Aangeboden Aandelen te verkopen aan de Underwriters.

De Underwriting Overeenkomst bepaalt dat de verplichtingen van de Underwriters om de Aangeboden Aandelen te kopen, onderworpen zijn aan onder andere de volgende voorwaarden: (i) de Vennootschap zal zijn omgezet in een naamloze vennootschap onder Nederlands recht, (ii) de goedkeuring door de AFM van het Prospectus is volledig van kracht, (iii) uitvoering van de prijsstellingsovereenkomst tussen de Vennootschap, de Verkopende Aandeelhouders en de Joint Global Coordinators namens de Underwriters, die, onder andere, de Aanbiedingsprijs vermeldt, (iv) de ontvangst op of vóór de Afwikkelingsdatum van opinies van juridische adviseurs over bepaalde juridische zaken met betrekking tot, onder andere, de Vennootschap, de Verkopende Aandeelhouders, de Underwriting Overeenkomst, het Prospectus en de Aangeboden Aandelen, (v) de ontvangst van de gebruikelijke certificaten van bestuurders, (vi) de afwezigheid van een materieel nadelige wijziging in, of enige ontwikkeling betreffende een potentiële materieel nadelige wijziging in, of van invloed op, de bedrijfsvoering, activa, financiële positie, eigen vermogen, kasstroom, solvabiliteit of resultaten uit bedrijfsactiviteiten van de Vennootschap en de aan haar verbonden dochterondernemingen, als geheel, vanaf 31 december 2014, (vii) de afwezigheid van een afwaardering van de kredietwaardering van de Vennootschap met twee of meer punten, (viii) de toelating tot de handel van de Aandelen op Euronext Amsterdam vindt niet later plaats dan om 9:00 CET op de Eerste Handelsdatum, en (ix) bepaalde andere gebruikelijke voorwaarden voor afwikkeling, met inbegrip van, onder andere, de juistheid van de door de Vennootschap en

iedere Verkopende Aandeelhouder gegeven garanties op grond van de Underwriting Overeenkomst en vervulling door de Vennootschap en ieder van de Verkopende Aandeelhouders van hun respectievelijke voorwaarden onder de Underwriting Overeenkomst. De Underwriters zullen zich het recht voorbehouden om te kunnen afzien van dergelijke voorwaarden of een deel daarvan.

Indien zich bepaalde specifieke gebeurtenissen voordoen, zoals (i) een materieel nadelige wijziging in, of enige ontwikkeling betreffende een potentiële materieel nadelige wijziging in, of van invloed op, de bedrijfsvoering, activa, financiële positie, eigen vermogen, kasstroom, solvabiliteit of resultaten uit bedrijfsactiviteiten van de Vennootschap en de aan haar verbonden dochterondernemingen, als geheel, vanaf 31 december 2014, (ii) handel aan de New York Stock Exchange, de NASDAQ Global Market, de London Stock Exchange plc, Euronext Amsterdam, of andere *over-the-counter* markt is in het algemeen geschorst of wezenlijk beperkt of (iii) een onware, onjuiste of misleidende verklaring in het Prospectus, in de Prijsvaststellingsovereenkomst, of in elk ander amendement of supplement van het Prospectus, hebben de Underwriters het recht de Underwriting Overeenkomst te beëindigen.

#### **Joint Global Coordinators en Joint Bookrunners**

J.P. Morgan Securities plc en Credit Suisse Securities (Europe) Limited treden op als Joint Global Coordinators en, samen met ABN AMRO Bank N.V. en HSBC Bank plc als de joint bookrunners (de “**Joint Bookrunners**”).

#### **Joint Lead Managers**

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. en Société Générale treden op als joint lead managers.

#### **Underwriters**

J.P. Morgan Securities plc, Credit Suisse Securities (Europe) Limited, ABN AMRO Bank N.V., HSBC Bank plc, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. en Société Générale treden op als underwriters.

#### **Noteringsagent en Betaalkantoor**

ABN AMRO Bank N.V. is de noteringsagent en het betaalkantoor van de Aandelen aan Euronext Amsterdam.

#### **Retail Coördinator**

ABN AMRO Bank N.V. is de retail coördinator ten aanzien van de Preferente Particuliere Toewijzing.

#### **Stabilisatieagent**

J.P. Morgan Securities plc is de stabilisatieagent (de “**Stabilisatieagent**”) met betrekking tot de notering van de Aandelen aan Euronext Amsterdam.

E.4 Belangen die materieel zijn voor het Aanbod (met inbegrip van belangenverstrengelingen)

Bepaalde Underwriters en/of sommige van de met hen verbonden ondernemingen zijn in het verleden betrokken geweest, zijn op dit moment betrokken en kunnen in de toekomst, van tijd tot tijd betrokken worden bij het verlenen van verschillende commerciële bankdiensten, investeringsbankdiensten en financieel advies en andere

aanverwante diensten, inclusief hedging, financiering en zakelijke adviesdiensten, in de normale uitoefening van hun bedrijfsvoering, aan de Vennootschap en/of de Verkopende Aandeelhouders en bepaalde aan hen verbonden maatschappijen, in verband waarmee zij gebruikelijke vergoedingen en commissies hebben gekregen of mogelijk in de toekomst zullen krijgen.

Credit Suisse International is mandated lead arranger, zowel HSBC Bank plc, ABN AMRO Bank N.V. en Société Générale, London Branch zijn mandated lead arranger en oorspronkelijk kredietverstrekker en agent, van de doorlopende kredietfaciliteit van de Vennootschap. Verbonden maatschappijen van HSBC Bank plc treden ook op als kredietverstrekkers onder een financiële leaseovereenkomst en commerciële hypotheekovereenkomst met dochtervennootschappen van de Vennootschap.

Daarnaast kunnen de Underwriters, in de normale uitoefening van hun bedrijfsvoering, als investering aandelen van de Vennootschap of van de Verkopende Aandeelhouders houden. Zowel een dochtermaatschappij van JP Morgan Chase & Co., de moedermaatschappij van J.P. Morgan Securities plc en een verbonden maatschappij van Credit Suisse Securities (Europe) Limited houden eigendomsbelangen namens hun respectievelijke cliënten in Stodir, één van de entiteiten die eigenaar is van en controle heeft over Ferskur Holding 1 B.V.; de dochtermaatschappij van JP Morgan Chase & Co. noch de verbonden maatschappij van Credit Suisse Securities (Europe) Limited is de economisch rechthebbende van die eigendomsbelangen. Als gevolg van deze transacties en diensten, kunnen de Underwriters belangen hebben die niet in lijn zijn of die mogelijk zouden kunnen conflicteren met potentiële investeerders of de Vennootschap.

Dhr. Roelofs en dhr. Duijzer houden indirect Aandelen door middel van Okil Holding B.V. Okil Holding B.V. zou 1,503,785 Bestaande Aangeboden Aandelen kunnen verkopen. Refresco B.V. heeft Raven Management B.V. (die in eigendom is van dhr. Roelofs en dhr. Duijzer) EUR2,1 miljoen geleend.

E.5 Persoon of entiteit die aanbiedt de Aangeboden Aandelen te verkopen en lock-up regelingen

De Vennootschap en de Verkopende Aandeelhouders bieden Aandelen aan.

De Vennootschap en de Verkopende Aandeelhouders (niet zijnde Okil Holding B.V.) komen overeen met de Underwriters dat, voor een periode die begint op de datum van het Prospectus tot 180 dagen na de Afwikkelingsdatum, zij niet, en Okil Holding B.V. komt overeen met de Underwriters dat, voor een periode die begint op de datum van het Prospectus tot 360 dagen na de Afwikkelingsdatum, zij niet, behoudens voor zover hierna anders bepaald, zonder voorafgaande toestemming van elk van de Joint Global Coordinators, handelend namens de Underwriters, enig Aandeel of andere effecten inwisselbaar voor of converteerbaar in Aandelen of uitoefenbaar voor het verkrijgen van Aandelen direct of indirect, zal (i) uitgeven, aanbieden, verpanden, verkopen, overeenkomen om te verkopen, enige optie of contract om deze te kopen zal



verkopen, enige optie of contract om deze te verkopen zal kopen, een optie of warrant om te kopen daarop zal verlenen, of zal lenen of zal bewerkstelligen dat de Vennootschap uitgeeft, of op andere wijze zal overdragen of afstoten of (ii) enige swapovereenkomst of een andere overeenkomst zal aangaan, die enig economische consequenties van de eigendom van de Aandelen, geheel of gedeeltelijk, overdraagt, ongeacht of een dergelijke transactie zoals beschreven onder (i) of (ii) zal worden afgewikkeld in Aandelen of andere effecten, in geld of op een andere wijze.

Met betrekking tot de Vennootschap zal de lock-up niet van toepassing zijn in geval van: (i) de uitgifte en verkoop van Nieuw Aangeboden Aandelen overeenkomstig de Underwriting Overeenkomst, (ii) de uitgifte of conversie voor de Afwikkelingsdatum om effect te geven aan de herstructurering van het aandelenkapitaal zoals beschreven in het Prospectus, (iii) het toekennen van Aandelen onder het werknemersparticipatieplan van de Vennootschap binnen de grenzen zoals hierin uiteengezet, (iv) de voorwaardelijke toekenning van Aandelen onder het lange termijn beloningsplan van de Vennootschap binnen de grenzen zoals hierin uiteengezet, en (v) de verkoop, overdracht of andere vervreemding van Aandelen door aanvaarding van een openbaar overnamebod, fusie of vergelijkbare bedrijfscombinatie met een derde partij met betrekking tot alle geplaatste Aandelen.

Met betrekking tot de Verkopende Aandeelhouders zal het voorgaande niet van toepassing zijn in geval van: (i) de verkoop van de Bestaande Aangeboden Aandelen en Additionele Aandelen krachtens de Underwriting Overeenkomst; (ii) het lenen van de lending shares onder de share lending overeenkomst; (iii) overdrachten van Aandelen door Verkopende Aandeelhouders aan andere Verkopende Aandeelhouders op de Afwikkelingsdatum in connectie met, en voor zover vereist krachtens, de economische afwikkeling tussen Verkopende Aandeelhouders van de intrekking van de klasse A1A gewone aandelen en de klasse A1B gewone aandelen, (iv) overdrachten van Aandelen door een Verkopende Aandeelhouder ten gunste van enige entiteit onder controle van of onder gezamenlijke controle met die Verkopende Aandeelhouder of aan een of meer natuurlijke personen of rechtspersonen die de uiteindelijk economisch gerechtigde van die Verkopende Aandeelhouder zijn (waaronder vallen met betrekking tot Ferskur Holding 1 B.V.: Stodir hf., Kaupthing hf. en EAB 1 ehf.), op voorwaarde dat die verkrijger verbintenissen aangaat jegens de Joint Global Coordinators, als vertegenwoordigers van de Underwriters, gelijkwaardig aan die welke aangegaan zijn door de Verkopende Aandeelhouder, (v) de overdracht van Aandelen door een 3i Aandeelhouder naar (a) een andere 3i Aandeelhouder of (b) een ieder van 3i Group plc, iedere dochtervennootschap of iedere moedervennootschap van 3i Group plc en iedere dochtervennootschap van een dergelijke moedervennootschap of (c) enig fonds, partnership, investeringsvehikel of andere entiteit (vennootschapsrechtelijk of niet) opgericht in enige jurisdictie en die wordt beheerd door



een entiteit in de 3i groep of (d) enige onderneming, fonds, partnership, investeringsvehikel of andere entiteit (vennootschapsrechtelijk of niet) die wordt gecontroleerd door of is onder de gezamenlijke controle van de 3i Aandeelhouder of enig 3i fonds of lid van de 3i groep, voor zover de ontvanger van de Aandelen verbintenissen aangaat die gelijkwaardig zijn aan die welke zijn aangegaan door een dergelijke 3i Aandeelhouder, en dergelijke verbintenissen afdwingbaar zijn, (iv) de verkoop, overdracht of andere vervreemding van Aandelen door aanvaarding van een (gedeeltelijk) openbaar overnamebod, fusie of vergelijkbare bedrijfscombinatie met een derde partij met betrekking tot alle geplaatste Aandelen, of een deel van de geplaatste Aandelen in geval van een partieel openbaar overnamebod, zoals toegestaan onder Nederlands recht.

De Joint Global Coordinators kunnen, naar eigen discretie en op elk moment, afstand doen van deze beperkingen, inclusief de beperkingen die zien op de verkoop, uitgifte, aanbiedingen, of overdrachten van de Aandelen.

E.6 Verwatering

Het stemmingsbelang van de Verkopende Aandeelhouders zal verwaterd worden als gevolg van de uitgifte van de Nieuw Aangeboden Aandelen. De maximale verwatering van de Verkopende Aandeelhouders als gevolg van de uitgifte van de Nieuw Aangeboden Aandelen zou 9,4 % zijn, uitgaande van een uitgifte van 7,692,308 Nieuw Aangeboden Aandelen.

E.7 Geraamde kosten die bij beleggers in rekening worden gebracht door de Vennootschap

Niet van toepassing. Er zijn en worden geen kosten bij beleggers in rekening gebracht door de Vennootschap of de Verkopende Aandeelhouders met betrekking tot het Aanbod.

### 3. RISK FACTORS

*You should carefully consider the risk factors set out below, together with the other information contained in this Prospectus, before making an investment decision with respect to the Shares. Although the Company believes that the risks and uncertainties described below are the material risks and uncertainties, they are not the only risks the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's business, results of operations or financial condition and could negatively affect the value of the Shares. If any of these risks were to materialise, investors could lose all or part of their investment.*

*In addition to considering carefully the risk factors set out below, and this entire Prospectus, before making an investment decision with respect to the Shares, you should also consult your own financial, legal and tax advisers to carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of your personal circumstances.*

*All references to the Company or the Group are to Refresco Gerber N.V. and, as the context requires, any or all of its subsidiaries, taken as a whole.*

#### **RISKS RELATING TO THE COMPANY'S BUSINESS, STRATEGY AND OPERATIONS**

***The Company may experience fluctuations in the prices of raw materials and packaging materials, which may be difficult to pass on to its customers.***

The prices of raw materials and packaging materials are driven by market supply and demand, and may therefore fluctuate due to factors beyond the Company's control, including, for example, weather conditions, transport costs and governmental controls, such as import or export taxes. While the Company aims to purchase sufficient raw materials and packaging materials to meet its estimated sales volumes, these estimates may prove inaccurate, since many customers do not commit to fixed volumes. See “– *The Company's business depends on a significant supply of raw materials and packaging materials from a limited number of suppliers*”. If the Company achieves higher than expected sales volumes, it may be necessary to purchase additional raw materials and packaging materials at prevailing market prices. In addition, the Company is also exposed to fluctuations in the prices of commodities, such as electricity, natural gas and other energy sources for which there are no long-term pricing commitments or arrangements, which could have an effect on the Company's operating costs.

If the Company's raw materials or packaging materials costs or other operating costs increase, it may not be possible to pass these costs on to customers through price adjustments or in a timely manner. In general, input price fluctuations can only be passed on to the Company's customers at the renewal of the relevant contracts. Additionally, any price increases that the Company passes along to its customers could reduce demand for its products (as defined under “*Important Information – Presentation of Financial and Other Information – Certain Terms*”).

The inability to fully or partially pass on these price increases to the Company's customers, or to pass on such increases in a timely manner, or a fall in sales volumes due to price increases, could have a material adverse effect on the business, financial condition and results of operations of the Company.

***The Company's business depends on a significant supply of raw materials and packaging materials from a limited number of suppliers.***

The Company's manufacture of products is highly dependent on an adequate supply of certain raw materials, including sugar and sugar-related products, fruit juices and concentrates, as well as packaging materials, including aluminium and steel for cans, resin for PET bottles, Tetra Paks, pre-forms and caps and carton packaging, most of which are only available from a limited number of suppliers. This is applicable in particular for private label products, since these products are more dependent on the Company's own sourcing than co-packing, where the customer largely sources the raw materials. For the supply of raw materials and packaging materials, the Company estimates the volume of supplies needed based on sales contracts with its customers. The Company's estimate of the supplies required may not be accurate and there may be a mismatch between the estimated and actual volumes sold, resulting in an increase or decrease in demand for raw materials and packaging materials. Although the Company attempts to ensure that sufficient raw materials and packaging materials are in stock, several factors may cause a shortage of materials available to meet the demand from the Company's customers. Although the Company has adopted a policy to enter into forward purchase contracts for most raw materials and packaging materials up to 12 months in advance to cover sales positions with the

Company's customers, the limited number of suppliers for these materials undermines the Company's negotiating position. As such, there can be no assurance that such measures will be effective. In addition, this matching policy does not extend to all materials (PET for instance is only partly covered) nor to all situations (small contracts for example are not always covered). Further, the Company can only purchase certain raw materials, such as sugar, during the harvest season.

The failure of suppliers to meet the Company's needs could occur for many reasons, including fires, natural disasters, weather, manufacturing problems, disease, crop failure, strikes, transportation interruption, government regulation, political instability and terrorism. A failure of supply could also occur due to suppliers' financial difficulties. The loss of any one of such suppliers could lead to a disruption in the Company's supply chain, which could reduce the utilisation rate of production sites and deliveries to customers, and in turn have a material adverse effect on the business, financial condition and results of operations of the Company. See "*Business – Raw Materials and Packaging Materials*" for the Company's main suppliers. If suppliers are unable to meet the Company's requirements, the Company could suffer substantial price increases and changing suppliers could require long lead times, which could impact the business, financial condition and results of operations of the Company.

***The Company may fail to realise the business growth opportunities, margin benefits and other synergies anticipated from, or may incur unanticipated costs associated with or resulting from, its combination with Gerber effectuated on 11 November 2013.***

In 2013, the Company entered into a combination with Gerber through an issuance of new shares against contribution in kind, which was completed on 11 November 2013. As a consequence of the combination, the Company had to dispose of a former production plant of Gerber in Waibstadt, Germany and restructure several Group Companies.

The Company believes that the consideration for the combination was justified in part by the margin benefits, cost savings, business growth opportunities and other synergies it expects to achieve by combining its operations with Gerber. However, these expected margin benefits, cost savings, business growth opportunities and other synergies may not develop, may be materially lower than estimated or may require significant unanticipated costs. In addition, other assumptions upon which the Company determined the consideration may prove to be incorrect. The Company may also face challenges with the following: redeploying resources in different areas of operations to improve efficiency; minimising the diversion of management attention from on-going business concerns; and addressing possible differences between the Company's business culture, processes, controls, procedures and systems and those of Gerber. Additionally, the Company may need to increase staff, such as hiring additional tax staff, to accommodate the current size of the Company. Although the integration process in the UK, Poland and France is complete, the Company may face challenges in the German integration process and unexpected problems may arise.

The Company intends to close an additional manufacturing plant and is in the process of closing an office in Rellingen (Germany). Before the Company closes the plant, it must build a new warehouse. The Company may be unable to construct the new warehouse on the anticipated time schedule or within budget. In addition, the Company may incur costs because of layoffs or social security payments. There can be no assurance that the Company will close this plant without any of these risks materialising.

Under any of these circumstances, the margin benefits, cost savings, business growth opportunities and other synergies anticipated by the Company as a result of the combination may not be achieved as expected, or at all, or may be delayed materially. To the extent that the Company incurs higher integration costs or achieves lower margin benefits than expected, its results of operations, financial condition, prospects and business may suffer.

***The Company may fail to acquire other businesses or to realise expected synergies relating to the integration of future acquisitions.***

The Company has a growth strategy that is partly based on future acquisitions (see "*Business – Strategy*"). The success of this strategy with respect to acquisitions, such as the combination with Gerber, depends on the Company's ability to identify suitable targets.

In addition, the Company may not complete future acquisitions at all, or not on the terms as contemplated, due to antitrust constraints or for other reasons. For example, the purchase price demanded for a future acquisition, or the costs relating to such acquisition (including in connection with required remedies to address antitrust

constraints), may turn out to be higher than is justified. Although the Company has successfully integrated acquired businesses in the past, it may not achieve the integration of future acquisitions as expeditiously as expected or the related synergies may not be realised. The difficulties of integrating the operations of acquired businesses include, among others: diversion of management's attention; difficulty obtaining regulatory approvals and lack of experience in operating in new geographical markets; assumption of and exposure to unknown or contingent liabilities of acquired businesses; failure to smoothly implement the Company's business plan for the combined businesses; unanticipated issues in integrating manufacturing, logistics and other systems; possible inconsistencies in standards and controls between the acquired business and the Company's structure; failure to retain key customers, suppliers or employees; and other unanticipated issues, expenses and liabilities. If the Company acquires fewer other businesses than its competitors, or is less successful in the integration of acquired businesses than its competitors, those competitors will realise synergies that the Company does not realise, or to a lesser extent. Those competitors will be able to (partially) pass along these synergies to customers. This would create downward price pressure, forcing the Company to follow suit, or potentially lose revenue. For any of the foregoing reasons, the Company's prospects and business may suffer.

***The Company may fail to achieve any or all of the objectives included in this Prospectus.***

The Company has set a number of strategic objectives (see "*Business – Strategy*"). The Company believes that opportunities exist to increase sales of soft drinks in the Company's markets by building on existing customer relationships, obtaining new customers, exploring new channels of distribution and introducing new products, which depend on the continuing success of the Company's existing and future customers and its continuing ability to achieve a competitive cost base while maintaining flexible, state-of-the-art production facilities. The Company's ability to achieve these objectives depends on its ability to successfully execute its strategy and on the accuracy of a number of assumptions involving factors that are substantially or entirely beyond the Company's control and subject to known and unknown risks, including the risks described in this section "*Risk Factors*", uncertainties and other factors that may result in the Company being unable to achieve these objectives.

In addition, the Company's ability to successfully implement its strategy and achieve its objectives may be impacted by factors such as general economic and business conditions and developments with respect to the regulatory and tax framework of the Company's industry and the Company's business, which are outside of the Company's control. If one or more of the assumptions that the Company has made in setting its objectives is inaccurate, or if one or more of the risks described in this section were to occur, the Company may be unable to achieve one or more of its objectives.

***The medium term objectives included in this Prospectus may differ materially from the Company's actual results and investors should not place undue reliance on them.***

The medium term objectives included in this Prospectus may differ materially from the Company's actual results and investors should not place undue reliance on them. The medium term objectives set forth in this Prospectus under "*Operating and Financial Review*", "*Business – Medium Term Objectives*" and elsewhere are management's objectives for medium term revenue and volume growth, margin, operating expenses, synergies and capital expenditure. These targets are based upon a number of assumptions (including the success of the Company's business strategies), which are inherently subject to significant business, operational, economic and other risks, many of which are outside of the Company's control. Accordingly, such assumptions may change or may not materialise at all. In addition, unanticipated events may adversely affect the actual results that the Company achieves in future periods whether or not its assumptions relating to the medium term otherwise prove to be correct. As a result, the Company's actual results may vary materially from these targets and investors should not place undue reliance on them.

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

A significant portion of the Company's revenue is concentrated with a relatively small number of customers. The Company's customers include several large national and regional food retailers in its key countries/regions for the Company's private label products as well as branded soft drinks companies ("A-brand owners") with whom the Company contracts to manufacture their products ("co-packing customers"). Sales to Lidl and Aldi, the Company's top customers in 2014, accounted for approximately 22.4% of its consolidated revenue. Although the Company has multiple contracts with each of its customers, the consolidated revenue derived from the Company's top ten customers in 2014 accounted for approximately 50.2%.

The Company expects continued consolidation among its customers and anticipates that sales of its products to a limited number of customers will continue to account for a high percentage of its revenue. The loss of any customer, or customers in the aggregate, that represent(s) a significant portion of the Company's revenue, for example, following a routine periodic tender for its or their business or a material reduction in the amount of business the Company undertakes with any such customer or customers, could have a material adverse effect on the Company's operating results and cash flows. Furthermore, the Company could be adversely affected if any significant customer reacts unfavourably to the pricing of the Company's products, demands a longer payment term which might adversely affect the Company's working capital or decides to de-emphasise or reduce their product offerings in the categories with which the Company supplies them. In addition, a material co-packing customer may decide to take its production in-house. For example, in the past, sales to Coca-Cola decreased as a result of such production reallocation. Although the Company has several contracts with each of its larger customers, it could lose all revenues generated through these contracts if, for example, one of the customers is declared bankrupt. Any such event could have a material adverse effect on the Company's business, financial condition and results of operations.

***Most of the Company's customers are large and sophisticated and have considerable buying power which could limit the Company's potential for growth and profit.***

Most of the Company's customers are large and sophisticated retailers and A-brand owners. As a result of their size and sophistication, large retailers and A-brand owners have significant buying power and can often apply pricing pressure on their suppliers by resisting price increases and operating with reduced inventories. Currently, retailers are organised per country, and further integration at the regional level can further strengthen the buying power of the retailers. Additionally, retailers cooperate with other retailers in purchasing groups, as a result of which they also have significant buying power. The Company's customers may also re-evaluate or refine their business practices from time to time and impose new or revised requirements upon their suppliers, including the Company. These business demands may relate to inventory practices, logistics, product specifications, sustainability or other aspects of the customer-supplier relationship. Compliance with the requirements imposed by the Company's significant customers may be costly and could have a material adverse effect on the Company's business, financial condition and results of operations.

***Demand for the Company's products may be significantly adversely affected by changes in customer and end-consumer preferences.***

Customer requirements and end-consumer demand in respect of the Company's products are subject to change. Although the Company believes the flexibility of its manufacturing capabilities is one of its core strengths, its customers may demand changes to the product mix it manufactures to which the Company may not be readily able to adapt. Such changes might include a shift from one product category to another as well as a change to different packaging sizes or types than the Company presently manufactures. There can be no assurance that the Company can successfully adapt its production sites or lines to meet its customers' requirements. In addition, end-consumers are seeking increased variety in their drinks, and there is a growing interest among the public regarding the ingredients in soft drinks products, the attributes of those ingredients, and health and wellness issues generally. In addition, end-consumer demand might decrease due to health-related legislation, such as the introduction in France and Finland of a tax on sugar-sweetened drinks. End-consumer interest in nutrition and health, together with lifestyle changes in general, and the introduction of taxes on soft drinks might result in a decrease in end-consumer demand for soft drinks with sugar and artificial ingredients, and an increase in end-consumer demand for products associated with health and wellness such as water, teas and juices not made from concentrates. A shift in product categories could result in lower margins which could potentially lead to investments in new production lines. In particular, a shift away from products such as carbonated drinks, sugar-sweetened drinks, artificially sweetened drinks and caffeinated drinks, which currently represent a significant proportion of the Company's revenue, could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

End-consumer preferences may change due to a variety of other factors, including a downturn in the economy, aging of the general population, changes in social trends, the real or perceived impact that the manufacturing of the Company's products has on the environment, changes in end-consumer demographics, changes in travel, vacation or leisure activity patterns, or negative publicity resulting from regulatory action or litigation against companies in the Company's industry. See “– *The Company's results depend on general economic conditions and could be affected by deterioration in the economic conditions of its markets*” below. Any of these changes may reduce end-consumer demand for soft drinks in general and, consequently, customer demand for the Company's products, which could have a material adverse effect on the Company's business, financial condition



and results of operations. There can be no assurance that the Company can adapt to meet its customers' requirements or develop innovative products that respond to end-consumer trends. The Company's failure to adapt or develop could put it at a competitive disadvantage in the marketplace and its business, financial condition and results of operations could be adversely affected.

***The Company's sales are subject to seasonal fluctuations in customer and end-consumer demand.***

The Company's sales are affected by weather, with sales typically being higher in the warmer and drier months from April to September and lower during the colder and wetter months of October to March. The Company also typically experiences a period of higher sales around the Christmas/New Year holiday period. While these end-consumer buying patterns lead to a natural seasonality in the Company's sales, unseasonable weather can also significantly affect its sales and profitability. For example, during prolonged periods of unseasonably hot weather, end-consumers tend to switch to products such as water and ready-to-drink teas that may have lower profit margins as well as require the Company to adjust its product mix in other ways. Consequently, the Company's operating results can fluctuate. Any inability to adapt to customers' requirements in terms of seasonality may affect the Company's working capital resulting in loss of sales, oversupply and inventory costs which the Company may be unable to recover and thus could have a material adverse effect on the business, financial condition, and results of operations of the Company.

***The Company may not remain cost competitive or fully realise the expected cost savings or operating efficiencies from its cost-savings initiatives.***

During the last five years, the Company has implemented, and may in the future implement, cost-savings initiatives to support the implementation of key strategic initiatives designed to achieve long-term sustainable growth, such as the closure of a production site in Heerlen, the Netherlands in November 2014 and the announced closure of St. Andrea in November 2015. Additionally, the Company expects to close three plants over the next six years. The Company intends for these activities to maximise operating effectiveness and efficiency and to reduce costs. The Company cannot assure that it will achieve or sustain the targeted benefits under these programmes or that the benefits, even if achieved, will be adequate to meet the Company's long-term growth expectations. In addition, the implementation of key elements of these activities, such as employee job reductions and site closures, could have an adverse impact on the Company's business, particularly in the near term. In addition, the Company faces price pressures from competitors. The Company's inability to remain cost competitive could have a material adverse effect on its business, financial condition and results of operations.

***The Company operates in a highly competitive industry for private label manufacturers and competitive pressures in the private label soft drinks market could have a material adverse effect on its business, results of operations, financial condition and prospects.***

The Company competes directly with other private label manufacturers on the basis of quality, ability to deliver a diversified product mix, pricing and customer service. The private label soft drinks market in which the Company is active is highly competitive and some of the Company's competitors may have greater financial and other resources, lower costs, significant unutilised capacity or stronger customer relationships than those of the Company. An increase in the number of competitors in the private label market may lead to a decrease of sales and prices, which could have a material adverse effect on the business, financial condition and results of operations of the Company.

Private label products indirectly compete for retail shelf space with co-packing products. The Company does not engage in marketing or advertising for its private label products and does not have direct influence over shelf space decisions by retail customers.

***The Company operates in a highly competitive industry for contract manufacturers and competitive pressures in the co-packing soft drinks market could have a material adverse effect on its business, results of operations, financial condition and prospects.***

The Company competes directly with other contract manufacturers on the basis of quality, ability to deliver a diversified product mix, pricing and customer service. The co-packing soft drinks market is highly competitive and some of the Company's competitors may have greater financial and other resources, lower cost bases, significant unutilised capacity or stronger customer relationships than those of the Company.

Co-packing competitors could use their significant resources to develop new products with which the Company cannot easily compete. The Company's customers also could reduce their pricing to levels that the Company cannot match without adversely affecting its results of operations. It may also be possible for current or future competitors to develop new product manufacturing technologies or processes that would enable them to offer products at a cost or quality that gives them a significant advantage over the Company's products. The Company cannot assure that it will continue to compete successfully against existing or future competitors. The Company also competes indirectly with soft drinks brand owners that either manufacture their own products or decide to take their production in-house.

Co-packing products also compete indirectly for retail shelf space with private label products. The Company does not engage in marketing or advertising for its co-packing products and does not have direct influence over shelf space decisions by retail customers. Co-packing competitors have significant financial resources that are heavily invested in promotional programs, which may earn them greater shelf space relative to private label products. If A-brand owners that compete with the Company increase the frequency of their promotional activities in the Company's key regions/countries, the Company's customers for its private label products may not allocate adequate shelf space for the products supplied by the Company and the Company could experience a decline in sales volumes, be forced to reduce pricing, forgo price increases required to offset increased costs of raw materials or packaging materials, increase capital and other expenditures or lose market share, any of which could have a material adverse effect on the business, financial condition and results of operations of the Company.

***The loss of members of the Executive Board, the failure to attract and retain directors with appropriate qualifications, experience and business relationships, or an increase in personnel expenses could have a material adverse effect on the Company's business.***

The performance of members of the executive board (*raad van bestuur*) of the Company (the “**Executive Board**”) is critical to the Company's success. The Company plans to continue to invest time and resources in developing and training senior management. The Company's long-term success will also depend on its ability to recruit and retain capable senior management, many of whom have significant experience in the food and drinks industry and could be difficult to replace. Any failure to retain such persons could have a material adverse effect on the Company's business, financial condition and results of operations. Further, if the Company fails to adequately plan for the succession of senior management, the Company's business, financial condition and results of operations could be adversely affected.

In the Company's industry, competition for suitably qualified senior management is strong and the Company expects the competition to intensify further. The loss of senior management, particularly to competitors, has in the past and may in the future result in the loss of customers or suppliers with whom such persons have had business relationships. In addition, if the Company were to lose a substantial number of employees, it would have to incur significant costs in identifying, hiring, training and retaining replacements for departing employees. From time to time, the food and drinks industry faces a shortage of suitably qualified personnel in certain regions. Such shortages have in the past limited, and may in the future limit, the Company's ability to attract employees to operate and further grow the business. In addition, salaries and related benefits of the Company's employees are among its most significant costs. As a result, wage, salary and related benefit increases, due to labour shortages, competition or other reasons, could have a significant impact on operating profits, in particular if increased costs cannot be passed on to customers.

***The Company may be adversely impacted by work stoppages and other labour matters.***

While the Company strives to maintain good relationships with its employees and their unions, there can be no assurance that such relationships will continue to be amicable or that the business will not be affected by strikes, plant closings, further unionisation efforts or other types of conflicts with labour unions or employees. For example, in January 2015, the Company experienced a strike at its plant in Bridgwater, UK. The Company is subject to collective bargaining agreements in almost every key country/region where it operates. The Company may be unable to renew collective bargaining agreements on satisfactory terms or at all. This could result in strikes or work stoppages, which could impair the Company's ability to manufacture and distribute products and result in a substantial loss of sales. The terms of existing or renewed collective bargaining agreements could also significantly increase the costs or negatively affect the Company's ability to increase operational efficiency. Furthermore, many of the Company's customers and suppliers also have unionised workforces. Work stoppages or slow-downs experienced by customers or suppliers could result in lower demand for the Company's products or a lack of supplies and, thus, slow-downs or closures of production facilities. In the event that either the



Company, or one or more of the Company's customers or suppliers experience a work stoppage, such work stoppage could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company relies on third parties for transportation of its supplies and finished products, and any disruption in their services or increase in costs could adversely affect the business, financial condition and results of operations of the Company.***

The Company's business requires significant movement of raw materials, packaging materials and finished products by ground and sea transportation. The Company contracts with third party contractors for the transportation and delivery of most of its products, and such contractors operate beyond the Company's direct control. Any delays in delivery or poor handling by distributors and third party transport operators of raw materials, packaging materials or finished products may affect the sales and damage the reputation of the Company. Interruptions in the transportation of raw materials or packaging materials to the Company or delivery of finished products to customers, and poor handling of materials or products in transit could interrupt the business, delay shipments to customers, cause losses, damage the Company's reputation, and have a material adverse effect on the Company's cash flows, results of operations and financial condition.

Additionally, although the costs for inbound freight are mainly included in the price of supplies, this is not always the case for outbound freights. The costs for such outbound freights could increase, which could adversely affect the Company's ability to supply its customers at current prices and meet customers' demand for its products. As a result, the Company could experience a significant increase in operating costs, which could have a material adverse effect on the Company's business, financial condition and results of operation.

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

Operations, and inventory of raw materials, packaging materials and finished products, at production sites and warehouses could be adversely affected by extraordinary events, including fire, explosion, release of high-temperature steam or water, structural collapse, chemical spill, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, flood, windstorm or other severe weather conditions, directives from government agencies, or power interruptions. Any prolonged interruption at any main production site could reduce production capacity and have a material adverse effect on the Company's business, financial condition, and results of operations. The measures which the Company has in place to mitigate such risks may prove to be insufficient or ineffective. Disaster recovery plans may not prevent business disruption, and reconstruction of any damaged facilities could require a significant amount of time and money. In addition, inventory of raw materials, packaging materials and finished products could be damaged or lost. Although the Company carries insurance to cover losses at production sites and interruptions in the business, such policies are subject to limitations such as deductibles and maximum liability amounts and, therefore, may not cover all losses, including loss of the business which customers may have placed with competitors as a result of such interruptions. The Company may also incur losses that are outside of the coverage of insurance policies. In the future, it may not be possible to obtain insurance coverage at current levels, or at all, and premiums may increase significantly on the coverage that is maintained. As a result, significant losses could occur if any of the production sites were damaged or ceased operation for any other reason.

The Company is particularly dependent on seven sites: Maarheeze and Bodegraven in the Netherlands, Erftstadt in Germany, St. Donat and St. Alban in France, Bridgwater in the UK and Caslino al Piano in Italy (which together accounted for approximately 42% of the Company's production volume in 2014).

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

Maintaining the Company's corporate image and reputation as a high-quality manufacturer of soft drinks is critical to the Company's success. Adverse publicity, whether or not justified, may tarnish the Company's reputation and cause customers to choose products offered by its competitors. If the Company fails to maintain high-quality standards for its products, or fails to maintain high ethical, social and environmental standards for all of its operations and activities, the reputation of the Company could be jeopardised, which could have a material adverse effect on its business, financial condition and results of operations.

The success of the Company's products depends upon the positive image that its customers have of those products. A lack of consistency in the quality of, or contamination of, the Company's products, whether occurring accidentally or through deliberate third party action, or a perceived issue with the quality of the Company's products, could harm the integrity of, or customer support for, those brands and could adversely affect the brands' sales. Further, a lack of consistency in the quality of or contamination of products similar to the Company's products or in the same categories as the Company's products could, by association, harm the integrity of, or customer support for, the Company's brands and/or products, and could adversely affect the Company's sales. The amount of any costs, including fines or damages payments, that the Company 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 Company's products, could substantially exceed any insurance coverage of the Company.

The Company may voluntarily recall or withhold from sale, or be required to recall or withhold from sale, products in the event of contamination or damage. See *"– Risks Relating to Legislative, Regulatory and Tax Matters – If the Company's products do not comply with the legal, regulatory or customer requirements, the Company may have to recall its products"*. In the event of litigation, a significant product liability judgment or a widespread product recall may negatively impact the reputation of the affected products or the Company for a period of time depending on product availability, competitive reaction and customer and end-consumer attitudes. See *"– Risks Relating to Legislative, Regulatory and Tax Matters – The Company may be affected by litigation, including product liability claims"*. Even if a product liability claim is unsuccessful or is not fully pursued, resulting negative publicity could adversely affect the Company's reputation and image, which could have a material adverse effect on the Company's prospects, business, results of operations and financial condition.

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

The Company depends on key information systems to conduct its business, to provide information to management and to prepare financial reports. The Company relies on third party providers such as SAP and Fujitsu TDS for the majority of its key information systems and business processing services supporting its operations in several different countries. A system failure, therefore, could have serious consequences for the Company's entire business. These systems and services are vulnerable to interruptions or other failures resulting from, among other things, natural disasters, terrorist attacks, software, equipment or telecommunications failures, processing errors, computer viruses, hackers, other security issues or supplier defaults. Security, backup and disaster recovery measures may not be adequate or implemented properly to avoid such disruptions or failures. Any disruption or failure of these systems or services could cause substantial errors, processing inefficiencies, security breaches and the inability to use the systems or process transactions, loss of customers or other business disruptions, any of which could negatively affect the Company's business, financial condition and results of operations.

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

The Company owns trademarks and domain names that are important to its business and competitive position. The Company cannot assure that third parties will not infringe on or misappropriate these rights by, for example, imitating the Company's products, asserting rights in, or ownership of, the Company's intellectual property rights or in trademarks or domain names that are similar to trademarks or domain names that the Company owns. In addition, the Company 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 intellectual property rights or block sales of its products by alleging a breach of their intellectual property rights. Applications filed by the Company in respect of new intellectual property rights may not be granted.

Certain countries in which the Company operates may offer less stringent intellectual property protection than is available in Western Europe. If the Company 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 Company's business, results of operations and financial condition and its ability to develop its business. End-consumers could confuse the Company's value brand products with counterfeited and/or unauthorised brands. This could also have a material adverse effect on future sales by impairing the Company's reputation and brand equity.

***Potential future impairments of intangible assets could have a material adverse effect on the Company's business, financial conditions and results of operation.***

The Company's goodwill is a significant asset. As at 31 December 2014, the book value of the Company's goodwill amounted to approximately EUR422 million, while the Company's total intangible assets amounted to EUR428 million. In accordance with IFRS and with Part 9 of Book 2 of the Dutch Civil Code (the "**DCC**"), the Company evaluates goodwill and indefinite life intangible assets for impairment annually, or earlier in the case of a triggering event. In 2014, the impairment on goodwill was EUR nil. In 2013, impairment on goodwill relating to Finland was recorded as EUR5.9 million due to lower expectations of future developments. In 2012, EUR2.5 million was impaired on goodwill in the UK. Goodwill impairment is indicated and indefinite life intangible assets are impaired when their carrying amount exceeds their estimated recoverable amount, which is the greater of their value in use and their fair value less cost to sell. A decrease in expected cash flows of the (group of) cash generating units, changes in market conditions, loss of key customers and a change in the Company imputed cost of capital may indicate potential impairment of recorded goodwill. Weakness in the global economy also may cause the Company to make impairment charges, which, depending on the amounts impaired, could have a material adverse effect on the Company's business, financial condition and results of operations.

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

The Company's financial covenants could limit its ability to finance future operations and capital needs and the Company's ability to pursue acquisitions and other business activities that may be in the Company's interest. The Company's EUR75 million revolving credit facility agreement entered into on 16 May 2011 with seven European banks and which was extended to EUR150 million (the "**Revolving Credit Facility**") requires, and any future working capital facility or other debt instrument may also require, the Company to maintain specified financial ratios. On 16 May 2011 the Company issued EUR360 million in aggregate principal amount of 7.375% senior secured notes (the "**Fixed Rate Notes**") and EUR300 million in aggregate principal amount of senior secured floating rate notes (the "**Floating Rate Notes**" and together with the Fixed Rate Notes, the "**Notes**"). The Notes and Revolving Credit Facility are secured by collateral over the shares of certain subsidiaries of the Company, the majority of bank account receivables, receivables, moveable assets, contract receivables, insurance receivables and certain specific property, plant and equipment. Future loan notes and revolving credit facilities might also be secured by collateral.

The Company's ability to meet the financial ratio under the Revolving Credit Facility, and any future working capital facility or other debt instrument, may be affected by events beyond the Company's control and, as a result, it cannot assure that it will be able to meet these ratios and tests. In the event of a default under these facilities, certain other defaults under other agreements or a change of control under certain agreements, the lenders could terminate their commitments and declare all amounts owed to them to be due and payable, and the lenders could execute on the collateral. A default under the Company's notes could result in a cross-default or cross-acceleration under these future facilities. Borrowings under other debt instruments that contain cross-default or cross-acceleration provisions may, as a result, also be accelerated and become due and payable. The Company's assets and cash flow may not be sufficient to fully repay these debts in such circumstances, which could have a material adverse effect on the business, financial condition, and results of operations of the Company.

***The Company may fail to make regular capital expenditures, investments and upgrades to conduct its business which could have a material adverse effect on the Company's operations.***

The Company's production facilities require regular maintenance and investments. See also "*Risks Relating to Legislative, Regulatory and Tax Matters – The Company's business and production facilities are subject to significant environmental regulations and failure to comply with such regulations, or any changes in such regulations, could result in interruptions in operations and increased costs*". Its production lines may have to be replaced and installing new production lines involves risks which may lead to a delay in starting production. Such a delay, or other events, such as higher than budgeted capital expenditures, could have a material adverse effect on the business, financial condition, and results of operations of the Company.

***Changes in technology may affect the Company's competitive position in the future.***

Production equipment, processes and logistical systems are important technologies in the Company's business. The Company expects these technologies to play an increasingly important role in the processing and delivery of the Company's products to customers in a cost-effective manner. The Company's ability to compete effectively

in the future will, in part, be driven by the Company's ability to efficiently maintain, update and change technology platforms as well as integrate new technologies into existing production lines. Failure to maintain appropriate standards of technology, the failure of technology to perform its intended purpose or the failure to adapt to new technologies may adversely affect the Company's future operating and financial performance.

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

Historically, the Company's income and results of operations have been influenced, and will continue to be influenced, by the general state of the European and wider economy. For example, the Company's revenue generated in 2013 in Iberia and Italy was negatively affected by the general economic conditions in those countries. In particular, demand for the Company's products is directly related to the strength of the European and wider economy. Lower end-consumer spending may reduce volumes and affect revenue and profitability. The global economy generally went through sharp downturns during 2008 and 2009, influencing the demand for the Company's products as end-consumers switched from higher-margin products to lower-margin products, for example from mineral water to tap water and from fruit juices to CSDs. Recent years have demonstrated that the private label soft drinks market is less sensitive to an economic downturn than many other fast-moving consumer goods markets. However, the margin pressures facing retail customers remain severe, and increased promotional activities for branded soft drinks add to market volatility. Although there have recently been signs of potential economic recovery, it is difficult to determine the breadth and duration of the economic slowdown and the ways in which it may continue to affect the Company's customers and business in general. Accordingly, there can be no assurance that market conditions will not deteriorate again, which could cause demand in the soft drinks market to decline or remain at low levels for an extended period or cause the product mix demanded by end-consumers to change, which could have a material adverse effect on the business, financial condition and results of operations of the Company.

***The Company is exposed to risks in connection with the Company's pension commitments.***

The Company provides defined benefit pension plans in Germany, the Netherlands, Italy and the UK. As of 31 December 2014, the present value of Company's defined benefit pension obligations amounted to approximately EUR101.3 million. These existing obligations are financed predominantly through externally invested pension plan assets. As of 31 December 2014, the Company's net pension obligations (pension obligations less pension plan assets) amounted to approximately EUR34.7 million. The Company's externally invested pension plan assets are funded through externally managed funds and insurance companies. While the Company generally prescribes the investment strategies applied by these funds, the Company does not determine their individual investment alternatives. The assets are invested in different asset classes including equity, fixed-income securities, real estate and other investment vehicles. The values attributable to the externally invested pension plan assets are subject to fluctuations in the capital markets that are beyond the Company's influence. Unfavourable developments in the capital markets could result in a substantial coverage shortfall for these pension obligations, resulting in a significant increase in the Company's net pension obligations. Any such increase in the Company's net pension obligations could adversely affect the Company's financial condition due to an increased additional outflow of funds to finance the pension obligations. Also, the Company is exposed to risks associated with longer life expectancy and interest rate changes in connection with the Company's pension commitments as an interest rate decrease could have an adverse effect on the Company's liabilities under these pension schemes. The occurrence of any of these risks could have a material adverse effect on the business, financial condition and results of operations of the Company.

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

The Company mainly operates in the European Union. The Company's reporting currency is the euro. The currency risk for the Company largely concerns positions and future purchase transactions in US dollars due to the purchase of raw materials in US dollars. Exchange rate fluctuations may have both transaction and translation effects. Transaction effects occur when the Company generates sales and incurs expenses in currencies other than the euro, and are unable to match sales received in a foreign currency with costs in the same currency, which exposes the Company's results of operations to currency exchange rate fluctuations. For the year ended 31 December 2014, the Company generated approximately 22% of total revenue, and incurred approximately 23% of expenses, in currencies other than the euro. In addition to the US dollar, the Company has also historically been subject to fluctuations of other currencies, including the British pound and the Polish zloty. Currency translation effects occur when the financial statements of the Company's consolidated subsidiaries are



recorded in their respective local currency and converted into euros, whereby translation effects can diminish the impact of positive results or increase the impact of negative results recorded by such consolidated subsidiaries. In particular, the Company may observe a negative impact caused by translation effects when the euro is strong in comparison to the British pound. In addition, an unfavourable movement in exchange rates may give the Company a competitive disadvantage with respect to the Company's competitors from other currency regions and may lead to declines in orders. All of these factors could have a material adverse effect on the business, financial condition, and results of operations of the Company.

The Company has determined, based on a risk assessment, that some of these currency risks need to be hedged. Forward exchange contracts and options are used for this purpose. The Company uses derivative financial instruments to hedge 80% to 100% of its cash flow denominated in foreign currency (see "*Operating and Financial Review – Key Factors Affecting Results of Operations – Exchange Rates*"). For quantitative and qualitative disclosures of the Company's financial exposure to market risks, please see note 3.1 to the annual financial statements for the year ended 31 December 2014, included in this Prospectus beginning on page F-1. To the extent that currency fluctuation risks are insufficiently hedged, such events could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company is exposed to interest rate risks.***

Certain of the Company's existing and future liabilities (including borrowings) bear, or may bear, interest at floating interest rates. The Company's interest costs on its floating-rate obligations are subject to fluctuations in interest rates. When appropriate and in line with the Company's hedging policy, the Company 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. As of 31 December 2014 93.4% of the Net Debt of EUR593.2 million, bears interest at a fixed rate or at floating interest rates swapped to fixed-rates. To the extent that interest rate risks are insufficiently hedged, an increase in interest rates could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company's substantial leverage and debt-service obligations could limit the amount of cash the Company has available for other purposes, which could adversely affect its business, financial condition and results of operations.***

The Company has significant outstanding debt and debt service requirements and may incur additional debt in the future. As of 31 December 2014, the aggregate principal amount of the Company's loans and borrowings (including finance lease obligations) was EUR684.2 million. See "*Operating and Financial Review – Liquidity and Capital Resources – Liabilities and Indebtedness*".

The Company's significant level of debt could have important consequences, including, but not limited to, the following:

- requiring that a substantial portion of the Company's cash flows from operations be dedicated to servicing debt, thereby reducing the funds available to the Company to finance the Company's operations, working capital requirements, capital expenditures, future acquisitions and general corporate needs, as well as dividends;
- impeding the Company's ability to obtain additional debt or equity financing, including financing for capital expenditures, and increasing the cost of any such funding, particularly due to the financial and other restrictive covenants contained in the agreements governing the Company's existing debt;
- impeding the Company's ability to compete effectively by restricting the Company from exploiting business opportunities or making acquisitions or investments;
- increasing the Company's vulnerability to, and reducing the Company's flexibility to respond to, adverse general economic or industry conditions; and
- limiting the Company's flexibility in planning for, or reacting to, changes in the Company's business and the competitive and economic environment in which it operates.

Any of these or other consequences or events could have a material adverse effect on the Company's business, financial condition and results of operations.

The terms of the agreements and instruments governing the Company's debt restrict, but do not prohibit, the Company from incurring additional debt. The Company may refinance its debt, and may increase its debt for

various business reasons which might include, among other things, financing acquisitions, funding the prepayment premiums, if any, on debt the Company's refinances, funding distributions to the Company's holders of Shares (the "**Shareholders**") or general corporate purposes. If new debt is added to the Company's debt described above, the related risks that the Company now faces will intensify. See "*Operating and Financial Review – Liquidity and Capital Resources – Liabilities and Indebtedness*".

***The Company requires a significant amount of cash to service the Company's debt, and the Company's ability to generate sufficient cash depends on many factors, some of which are beyond the Company's control.***

The Company requires a significant amount of cash to service its debt obligations, including payments relating to any swap arrangements it may have in the future. The Company's ability to make scheduled payments and to refinance the Company's debt and to fund future operations and capital expenditures will depend on the Company's future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Company's control, as well as the other factors discussed in this "*– Risk Factors*" section and elsewhere in this Prospectus. The Company cannot make assurances that the Company's business will generate sufficient cash flows from operations, that currently anticipated cost savings, revenue growth and operating improvements will be realised or that future debt and equity financing will be available to the Company in an amount sufficient to enable it to pay the principal, premium, if any, and interest on the Company's indebtedness or that future borrowings or amounts available for borrowing under the Revolving Credit Facility will be available to the Company in an amount sufficient to enable the Company to service and repay the Company's indebtedness or to fund the Company's other liquidity needs. Moreover, regulations in certain jurisdictions in which the Company has operating subsidiaries may restrict the ability of such operating subsidiaries to pay dividends to the Company. If the Company's future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility or any other additional indebtedness) are insufficient to pay the Company's obligations as they mature, or to fund the Company's liquidity needs, the Company may be forced to:

- reduce its business activities and/or delay capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of the Company's debt, on or before maturity.

The Company cannot assure that it would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments of interest and principal on the Company's outstanding indebtedness on a timely basis would likely result in a reduction of the credit rating, which could also harm the Company's ability to incur additional indebtedness. The Company has the following credit ratings: B2 by Moody's (with stable outlook) and B+ by Standard and Poor's (with positive CreditWatch). In addition, any refinancing of the Company's debt could be at higher interest rates and may require the Company to comply with more onerous covenants, which could further restrict the Company's business operations. There can be no assurances that any assets which the Company could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realised from such sale will be favourable to the Company.

***Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.***

The Company has credit ratings which are subject to reviews from time to time by the independent credit rating agencies which assign such credit ratings. The ratings may not reflect the potential impact of all risks related to the structure of the Company and the market in which the Company operates or the impact of other factors discussed herein that may affect the value and credit risks of the Company. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating by one or more of the credit rating agencies may adversely affect the cost, terms and conditions of the Company's financings and could adversely affect the value and trading of the Company's securities.



***The Company is a holding company and has limited assets and limited ability to generate revenue. The Company will depend on its subsidiaries to provide it with funds to meet its obligations.***

The Company is a holding company and has no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from these subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The payment of dividends and the making of loans and advances to the Company by its subsidiaries are subject to various restrictions (see “Operating and Financial Review – Liquidity and Capital Resources – Liabilities and Indebtedness” and “Dividend Policy – Limitations on Distributions”). Debt instruments of the Company and its subsidiaries (including any future working capital facility) may prohibit the payment of dividends or the making of loans or advances to the Company by subsidiaries in certain situations. The Company cannot provide any assurances that its arrangements with its subsidiaries and the funding permitted by the agreements governing existing and future indebtedness of the Company’s subsidiaries will provide the Company with sufficient dividends, distributions or loans to fund payments on its indebtedness. The ability of the Company’s subsidiaries to make distributions and other payments to the Company depends on their earnings and may be subject to contractual or statutory limitations, or the legal requirement of having distributable profits or distributable reserves. 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 (lease) obligations that are senior to the Company’s claims.

***The Company is subject to significant restrictive debt covenants, which limit its financial and operating flexibility.***

The terms of the agreements and instruments governing the Company’s debt, including its Notes, contain a number of significant covenants and other provisions that significantly restrict the Company’s ability to, among other things:

- make certain payments, including dividends or other distributions;
- incur or guarantee debt and issue preferred stock;
- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt or equity;
- engage in certain transactions with affiliates and other related parties;
- sell assets, consolidate, merge with or into other companies;
- issue or sell share capital of certain subsidiaries; and
- create certain liens.

All of these limitations are subject to certain exceptions and qualifications. However, these covenants could limit the Company’s ability to pay dividends to the Shareholders, finance its future operations and capital needs and pursue acquisitions and other business activities that may be in its interest. The Company is also subject to the affirmative and negative covenants contained in its Revolving Credit Facility. In particular, the amount drawn under the Revolving Credit Facility may not exceed 0.85 of the Company’s Adjusted EBITDA. The Company’s ability to meet the ratio can be affected by events beyond its control, and it cannot assure you that it will meet such ratio.

In addition to limiting the Company’s flexibility in operating our business, the breach of any covenants or obligations under the agreements and instruments governing the Company’s debt could result in an event of default under the applicable debt agreement or instrument, unless otherwise waived or remedied. Upon the occurrence of any event of default under the Company’s debt agreements and instruments, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel any commitments thereunder and elect to declare all amounts owed to them, including accrued interest, immediately due and payable. In addition, any default under one of the Company’s debt agreements or instruments, could lead to an event of default and acceleration under the Company’s other debt instruments that contain cross-default or cross-acceleration provisions allowing the creditors under such other debt instruments to cancel any commitments and declare all amounts owed to them, including accrued interest, immediately due and payable. If the Company’s creditors accelerate the payment of those amounts, the Company can provide no assurances that

the assets of the Group would be sufficient to repay in full those amounts. In addition, if the Company is unable to repay those amounts, its creditors could proceed against any collateral granted to them to secure repayment of those amounts. Any inability to meet the Company's obligations could result in insolvency proceedings or a debt or other restructuring and could result in investors losing all or a significant portion of their investment. See *"Operating and Financial Review – Liquidity and Capital Resources – Liabilities and Indebtedness"*.

***The Company may not be able to refinance its debt obligations on favourable terms, or at all, and may incur additional costs.***

The Company intends to refinance a portion of its Notes and its Revolving Credit Facility subsequent to the completion of the Offering. (See *"Operating and Financial Review – Liquidity and Capital Resources – Liabilities and Indebtedness"*). In addition, the Company will be required to refinance any remaining outstanding debt prior to its maturity. The Company's ability to successfully refinance its indebtedness is dependent on the conditions of the capital markets and its financial condition at such time. The Company's access to financing sources may not be available on favourable terms, or at all. Any refinancing of its debt could be at higher interest rates and may require the Company to comply with more restrictive covenants, which could further limit its business operations or its ability to maximize returns. In addition, refinancing the Company's debt could increase its cost of borrowing and the total amount of its outstanding debt, as well as require the Company to pay, in addition to transaction fees, certain "make-whole amounts" required under its debt agreements and breakage fees relating to its hedging arrangements. The Company's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on its business, financial condition and results of operations.

## **RISKS RELATING TO LEGISLATIVE, REGULATORY AND TAX MATTERS**

***The Company's business and production facilities are subject to significant environmental regulations and failure to comply with such regulations, or any changes in such regulations, could result in interruptions in operations and increased costs.***

The Company is subject to a number of local, national, supranational and international environmental laws and other regulations relating to environmental control, fire safety, sanitation, and water consumption and treatment. Any change to these laws and regulations, including as a result of political, economic, or social events, may alter the regulatory environment in which the Company does business, and could have a material adverse effect on the Company's business, financial condition and results of operations. The Company has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations. In the past, the Company has incurred compliance costs in connection with changes in legislation relating to packaging and recycling laws, and changes in laws regulating air emissions, wastewater discharges, waste handling and recycling, and energy usage. New or more stringent requirements may also be imposed on other aspects of the Company's operations. The Company may also need to spend substantial amounts of money and other resources from time to time to construct or acquire new equipment, acquire or amend permits to authorise facility operations, modify, upgrade or replace existing and proposed equipment and clean up or decommission waste management facilities or production facilities.

Furthermore, if the measures implemented by the Company to comply with these new laws and regulations are deemed insufficient by the competent authorities, compliance costs may significantly exceed current estimates. The presence of hazardous materials at the Company's production sites may expose the Company to potential liabilities associated with the clean-up of contaminated soil and groundwater, and the Company could be liable for the costs of responding to and remediating any such release and the restoration of any natural resources damaged by such release, among other things. If the Company does not comply with applicable environmental requirements, regulatory agencies could seek to impose civil, administrative and/or criminal liabilities, as well as seek to suspend or curtail the Company's operations. Under some circumstances, private parties could also seek to impose civil fines or penalties or monetary damages for violations of environmental laws, including those relating to property damage or personal injury.

There can be no assurance that the Company will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to environmental matters, the costs of which could be material. Clean-up and remediation costs of the sites in which the Company's facilities are located and related litigation could materially and adversely affect the Company's cash flow, results of operations and financial condition.

***The Company's business and products are subject to significant food and safety regulations and failure to comply with such regulations, or any changes in such regulations, could result in interruptions in operations and increased costs.***

The Company is subject to a number of local, national, supranational and international laws and other requirements relating to food and safety regulations. Any change to these laws and regulations, including as a result of political, economic, or social events, may alter the environment in which the Company does business, and could have a material adverse effect on the Company's business, financial condition and results of operations. The Company has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations. The Company may need to spend substantial amounts of money and other resources from time to time to construct or acquire new equipment, acquire or amend permits to authorise facility operations, and modify, upgrade or replace existing and proposed equipment and facilities.

There can be no assurance that future laws, regulations and/or standards will not have a material adverse effect on the Company. In particular, changes: (i) to health and food safety laws and regulations could increase costs and may also have a material adverse effect on sales if, as a result, the public attitude towards the Company's products is affected; (ii) to health and safety laws and regulations could increase costs (including costs in relation to complying with such laws and regulations) and it may not always be possible for the Company to pass such costs on to its customers; and (iii) in laws and regulations relating to manufacturing and bottling requirements, packaging and labelling requirements, licensing requirements, ingredients, advertising restrictions and standards and could adversely affect the Company's cash flow, results of operations and financial position.

In addition, the trend toward increased end-consumer focus on health and fitness, as well as public concerns about obesity, have in recent years led to the consideration by governments of new taxes on certain food and drinks products, including sugar-sweetened drinks. In 2011, Hungary introduced a tax on the consumption of drinks with a sugar or caffeine content higher than a specified amount, which increased the cost to end-consumers for some of the products. Similar taxes have been introduced in France and Finland. Possible new taxes on sugar-sweetened or caffeinated drinks in the countries in which the Company operates may reduce demand for its products, which could affect its cash flow, results of operations and financial position.

***If the Company's products do not comply with the legal, regulatory or customer requirements, the Company may have to recall its products.***

Each of the Company's products is subject to various legal, regulatory and customer requirements. Although the Company has procedures in place to ensure compliance with said requirements, there is a risk that these procedures are not complied with or turn out not to be appropriate. As a result of a compliance failure, the Company may have to recall its products which may result in substantial costs, and possibly claims and reputational damage. For example, in 2013, there was a bacterial issue in one of the fruits used for the Wicky brand drinks and the affected products had to be recalled. Any non-compliance with applicable requirements, whether or not resulting in a product recall, may negatively affect the Company's business, results of operations and financial condition.

***The Company is exposed to a variety of economic, legal, tax and other related risks due to the international nature of the Company's business.***

The Company provides services through various subsidiaries in nine different jurisdictions and does business in various countries. Accordingly, the Company's business is subject to risks related to the differing legal, political, social, economic and financial conditions of many jurisdictions.

Risks inherent in international operations include the following:

- non-adherence of employees to Company's guidelines, code of conduct or misreporting of results;
- difficulties obtaining permits and governmental approvals;
- inadvertently providing services or undertaking activities in a jurisdiction without all of the requisite regulatory consents or required consents, exposing the Company to fines and sanctions;
- exposure to different legal standards;
- staffing difficulties, national or regional labour strikes or other labour disputes;
- exposure to military conflicts, terrorism, intergovernmental disputes, potentially unstable legal systems, civil or political upheaval or unrest;

- possible expropriation, nationalisation, or confiscation of assets, and problems with repatriation of foreign earnings;
- exposure to economic or trade sanctions and closure of markets to imports;
- exposure to health epidemics;
- various countries may impose or increase withholding taxes or otherwise tax the Company's income, impose tariffs or adopt other restrictions on trade or investment, including currency exchange controls;
- failure to adequately comply with customs requirements for importing goods into, or exporting goods from, various jurisdictions, which could result in the Company's exposure to additional excise taxes and VAT, which could be substantial;
- fluctuations in exchange rates may adversely affect the profitability in euro of services provided by the Company in markets where payments for the Company's services are made in the local currency;
- difficulties in collecting amounts payable to the Company under its contracts and enforcing agreements, in particular if the Company's customers undergo financial difficulties;
- general economic conditions in the countries in which the Company operates could have an adverse effect on the Company's earnings from operations in those countries; and
- changes in market conditions, especially in developing markets, as a result of economic or social instability or other developments not typical in more developed markets, and other difficulties typically associated with operating in developing markets.

The Company'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 international 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 Company's international operations require it to comply with a number of international laws and regulations regarding anti-bribery and anti-corruption, including the UK 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. The scope and enforcement of anti-corruption laws and regulations may vary.

Although the Company has operations across Europe, its operations in the Benelux, Germany, the UK and France represented 76.9% of the Company's total revenue in 2014. Consequently, if any of the abovementioned risks were to materialise in any of these jurisdictions in particular, the Company's business, results of operations and financial condition could be materially and adversely affected. More generally, the Company overall success as a multinational business depends, in part, upon the Company's ability to succeed in differing legal, regulatory, economic, social and political conditions. Accordingly, if the Company fails to adequately address any of the foregoing factors, the Company's business, results of operations and financial condition could be materially adversely affected.

***If the Company is unable to fully utilise its deferred tax assets, its profitability could be reduced.***

As at 31 December 2014, the Company had EUR11.1 million recorded as net deferred tax liabilities including EUR16.7 million deferred tax assets representing tax losses carried forward. The Company has a deferred tax asset worth EUR6.3 million relating to tax losses carried forward in Germany. These tax losses carried forward will be subject to, and possibly impacted by, change of control rules if more than 25% of the Shares are transferred by the Selling Shareholders. In addition, these assets may only be utilised if and to the extent that the Company generates adequate levels of taxable income (including capital gains) in future periods in the jurisdictions in which the net operating losses occurred to offset the tax loss carry-forwards and reverse the temporary differences prior to expiration. As at 31 December 2014, the amount of future income (including capital gains) required to recover the Company's deferred tax assets was approximately EUR80 million at certain operating subsidiaries of the Company. The Company'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 Company generates lower taxable income than the amount it has assumed in determining its deferred tax assets, then the utilisation of the deferred tax asset will be delayed and consequently the net present value of the deferred tax assets will reduce.

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

The Company is subject to tax laws in the jurisdictions in which it operates. The Company'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 Company operates, or

changes to such laws. The interpretation of tax laws by local tax authorities may differ from the local tax advice that the Company relies on and receives from its local tax advisers in jurisdictions in which it operates. Certain tax positions taken by the Company are based on industry practice and external tax advice and/or 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 Company does business.

In addition, the Company 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 or charges of non-compliance with customs requirements for imports and exports. At the date of this Prospectus, the Company is the subject of regular tax audits and as a result could become subject to challenges. If challenges to the Company's tax positions, through audits or otherwise, were to be successful, the Company's effective tax rate may increase, the Company 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 Company 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 an adverse effect on the Company's prospects, business, results of operations and financial condition.

***The Company may be affected by litigation including product liability claims.***

From time to time, the Company is party to various litigation claims and legal proceedings. The Company evaluates these claims and proceedings to assess the likelihood of unfavourable outcomes and estimates, if possible, the amount of potential losses. The Company may establish a reserve as appropriate based upon assessments and estimates in accordance with the Company's accounting policies. The Company may base the Company's assessments, estimates and disclosures on the information available to the Company at the time and rely on legal and management judgment. Actual outcomes or losses may differ materially from assessments and estimates. Actual settlements, judgments or resolutions of these claims or proceedings may negatively affect the business, financial condition and results of operations of the Company.

The Company, like many companies in the food and drinks 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 Company is required to alter its trademarks, labels or packaging, or such litigation causes reputational damage to the Company, the Company'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 Company's operations, which could cause disruptions and have a material adverse effect on the Company's results of operations and financial condition. The Company cannot make assurances that any insurance coverage will be sufficient to insure against claims which may be brought against the Company, or that the Company will be able to maintain such insurance or obtain additional insurance covering existing or new products. If a product liability claim exceeding the Company's insurance coverage were to be successfully asserted against the Company, the Company's business could be materially adversely affected.

In addition, the Company may be liable if the consumption of any of the Company's products causes injury or illness, and the Company may be required to recall products if they become contaminated or damaged or are mislabelled. Shipment of such contaminated products, even if inadvertent, may violate applicable law and may lead to an increased risk of exposure to product liability claims, product recalls and increased scrutiny by federal and state regulatory agencies. Any shipment of contaminated products, a significant product recall or product liability claim could have a material adverse effect on the Company's reputation, business, financial condition and results of operations and could also result in a loss of customer and end-consumer confidence in the Company's products.

***The Company may inadvertently infringe on the intellectual property rights of third parties or become dependent on licensing intellectual property from third parties.***

The Company cannot exclude the possibility that it may inadvertently infringe on the intellectual property rights of third parties. Such inadvertent infringement could include copying brands, improperly using patented technologies or processes of third parties, infringing trademarks or trade dress, or breaching certain non-disclosure provisions of the Company's manufacturing contracts, for example, inadvertently disclosing recipes of products the Company manufactures for customers. If the Company were to infringe on the intellectual property



rights of a third party, the Company may not be able to manufacture, use or market the affected products or technologies, as applicable, in the countries where the intellectual property rights were granted to that third party. As a result, the Company may be forced to make changes to its products or manufacturing processes to remedy such an infringement. In addition, the Company could be held liable for damages and other compensation for infringements. The Company could also be forced to procure licences to make use of technology from third parties, which could entail additional costs. In that event, the Company may not be able to obtain the licences it needs for the Company's business at reasonable terms, or at all. In connection with any such licences, the Company may not be able to obtain regulatory approvals, which may be required, which could in certain cases lead to a loss of all or part of the funds already invested in the use of the licenses or to limitations on the Company's operations. Any restrictions on, or interruptions of, delivery or production resulting from intellectual property infringement or the Company's inability to acquire necessary licences could have a material adverse effect on the Company's business, financial condition, and results of operations.

## **RISKS RELATING TO THE OFFERING AND THE SHARES**

*The Selling Shareholders will retain part of their current shareholdings following the Offering and the interests of the Selling Shareholders may be inconsistent with the interests of the other Shareholders.*

Immediately following the Offering (and based on the at the mid-point of the Offer Price Range), the Selling Shareholders will collectively hold approximately 53.4% of the Shares (46.4% assuming the Over-allotment Option is exercised in full) of which Ferskur Holding 1 B.V. ("**Ferskur**") will hold approximately 21.7% of the Shares, Tamoa Limited ("**Tamoa**") will hold approximately 12.1% of the Shares, 3i GC Holdings Ref 1 S.à r.l. and 3i GC Holdings Ref 2 S.à r.l. (the "**3i Shareholders**") will together hold approximately 8.2% of the Shares, Okil Holding B.V. ("**Okil**") will hold approximately 3.5% of the Shares and Godetia II B.V. ("**Godetia**") will hold approximately 0.9% of the Shares. As a result, Ferskur, Tamoa and the 3i Shareholders will continue to be able to influence or control matters requiring approval by the General Meeting and may vote their Shares in a way with which other Shareholders do not agree.

Moreover, pursuant to the relationship agreement between Ferskur, Tamoa, the 3i Shareholders, Okil and the Company dated 16 March 2015, which will become effective as of the date immediately preceding the First Trading Date (the "**Relationship Agreement**"), Ferskur, Tamoa and the 3i Shareholders will have the right to designate for nomination, and propose replacements for, a certain number of positions of the supervisory board (*raad van commissarissen*) of the Company (the "**Supervisory Board**"). Initially, Ferskur, Tamoa and the 3i Shareholders will collectively be in a position to designate for nomination a majority of four out of seven positions on the Supervisory Board. For more information, see "*Major Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*".

In addition, Ferskur, Stodir hf., Kaupthing hf., EAB 1 ehf, Tamoa and the 3i Shareholders have informed the Company that they entered into a shareholders agreement dated 16 March 2015 in respect of their direct and indirect shareholdings in the Company, which will become effective as of the date immediately preceding the First Trading Date (the "**Shareholders Agreement**").

Under the Shareholders Agreement, Ferskur, Tamoa and the 3i Shareholders have agreed to vote, and Stodir hf., Kaupthing hf. and EAB 1 ehf. as shareholders of Ferskur have agreed to procure that Ferskur will vote, in favour of the appointment of any individual designated by any of them as a member of the Supervisory Board in accordance with the terms of the Relationship Agreement. Furthermore, they have reserved the right to consult with each other and coordinate the exercise of their voting rights attached to their respective Shares. For more information, see "*Major Shareholders and Related Party Transactions – Related Party Transactions – Shareholders Agreement*".

Therefore, in combination with their large shareholdings Tamoa, the 3i Shareholders and Ferskur (and through Ferskur its shareholders Stodir hf., Kaupthing hf. and EAB 1 ehf.) will be in a position to exert substantial influence on the general meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company (the "**General Meeting**"), and, consequently, on matters decided by the General Meeting, including the appointment of members of the Executive Board or the Supervisory Board, the distribution of dividends, the amendment of the Company's articles of association or any proposed capital increase. This concentration of ownership could adversely affect the trading volume and market price of the Shares and there is no indication as to whether or not, when or to what extent the Selling Shareholders will sell any of their remaining Shares.

The interests of the Selling Shareholders could deviate from the interests of the Company's other Shareholders. The Selling Shareholders, as major Shareholders of the Company, may delay, postpone or prevent transactions



that might be advantageous for investors or other Shareholders. In addition, the Selling Shareholders and/or their respective affiliates may, in the future, own businesses that directly compete with the Group.

***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 Executive Board has, subject to the approval of the Supervisory Board, the authority to issue Shares for a period of 18 months following the Settlement Date and to limit or exclude the pre-emptive rights pertaining to such Shares. Pursuant to this designation, the Executive Board may resolve to issue Shares up to a maximum of 10% of the number of Shares issued as of the Settlement Date, and to limit or exclude pre-emptive rights in relation thereto.

The market price of the Shares could decline if, following the Offering and after the expiration of the applicable lock-up periods, substantial numbers of Shares are sold by the Selling Shareholders in the public market or if there is a perception that such sales could occur. Also, while the Company and the Selling Shareholders (other than Okil) have agreed with the Underwriters not to sell any Shares for a period of 180 days after the Settlement Date and Okil has agreed not to sell any Shares for a of 360 days after the Settlement Date, the Joint Global Coordinators have the right to waive these lock-up provisions, which could result in sales of Shares occurring before expiry of the 180-day period or 360-day period respectively. In addition, such sales could make it more difficult for the Company to raise capital through the issuance of equity securities in the future. See “*Plan of Distribution – Lock-up Arrangements*”.

The Company 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 Company 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 may dilute an investor's shareholding interest in the Company. Furthermore, any additional debt or equity financing the Company may need may not be available on terms favourable to the Company or at all, which could adversely affect the Company's future plans and the market price of the Shares. Any additional offering or issuance of Shares by the Company, or the perception that an offering or issuance may occur, could also have a negative impact on the market price of the Shares and could increase the volatility in the market price of the Shares.

***Shareholders 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, Shareholders are generally entitled to full pre-emptive rights unless these rights are excluded either by virtue of Dutch law, by a resolution of the General Meeting at the proposal of the Executive Board, with the approval of the Supervisory Board, or by a resolution of the Executive Board with the approval by the Supervisory Board (if the Executive 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.

In particular, holders of Shares in certain other countries, including the US, may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless the Company 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 Company 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 Company 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 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 assurance 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. In addition, an illiquid market for the Shares may result in lower market prices and increased volatility, which could adversely affect the value of an investment in the Shares.

The Offer Price may not be indicative of the market price for the Shares after the Offering has completed. The market price of the Shares could also fluctuate substantially due to various factors, some of which could be specific to the Company and its operations and some of which could be related to the industry in which the Company 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, or that the Shares will not trade at prices significantly below the Offer Price, regardless of the Company's actual operating performance.

***If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled.***

Application has been made to list the Offer Shares on Euronext Amsterdam under the symbol "RFRG". 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 dated on the date of this Prospectus among the Company, the Selling Shareholders and the Underwriters are not satisfied or waived or occur on or prior to such date (see "*Offering – 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 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 Selling Shareholders, the Listing and Paying Agent, the Underwriters 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 the euro will become subject to certain foreign exchange risks when investing in the Shares.***

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

## 4. IMPORTANT INFORMATION

### General

Prospective investors are expressly advised that an investment in the Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. A prospective investor should not invest in the Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Shares will perform under changing conditions, the resulting effects on the value of the Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Shares. In making an investment decision, prospective investors must rely on their own examination of the Company, the Shares and the terms of the Offering, including the merits and risks involved. All references to the Company or the Group are to Refresco Gerber N.V. and, as the context requires, any or all of its subsidiaries, taken as a whole.

This Prospectus will be published in English only. Certain definitions of capitalised terms used herein are set out in "*Definitions*".

Prospective investors should only rely on the information contained in, or incorporated by reference into, this Prospectus, the Pricing Statement and any supplement to this Prospectus (if any) within the meaning of Section 5:23 of the Dutch Financial Supervision Act.

Prospective 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. If any information or representation not contained in this Prospectus is given or made, that information or representation may not be relied upon as having been authorised by the Company, the members of the Executive Board or Supervisory Board, the Selling Shareholders, the Listing and Paying Agent, any of the Underwriters or any of their respective representatives. The delivery of this Prospectus at any time after the date of this Prospectus will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date of this Prospectus or that the information in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Listing and Paying Agent, the Underwriters 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, or incorporated by reference herein, and nothing contained in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Listing and Paying Agent, the Underwriters or any of their affiliates as to the past or future.

None of the Listing and Paying Agent or Underwriters, in any of their respective capacities in connection with the Offering, 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, the Offering or the Shares. Accordingly, the Listing and Paying Agent and the Underwriters, in any of their respective capacities in connection with the Offering, 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.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has entered, or might enter, into a financing arrangement with the Company and/or the Selling Shareholders and/or any of their affiliates, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

### 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 for which it is responsible is in accordance with the facts and contains no omission likely to affect its import.

### Over-allotment and Stabilisation

In connection with the Offering, J.P. Morgan Securities plc or its affiliates will act as the stabilisation agent (the "**Stabilisation Agent**") on behalf of the Underwriters and may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect transactions with a view to supporting the market price of

the Shares at a level higher than that which might otherwise prevail in the open market, for a period ending 30 days following the First Trading Date. Such transactions may be effected on any securities market, stock exchange (including Euronext Amsterdam), on over-the-counter markets or otherwise. However, there is no obligation by the Stabilisation Agent or any of its agents to effect stabilising transactions and no assurance that stabilising transactions will be undertaken. Such transactions, if commenced, may be discontinued at any time without prior notice.

In connection with the Offering, the Stabilisation Agent or any of its agents may, for the purposes of stabilisation and pursuant to the Over-allotment Option, at any time during the period commencing on the First Trading Date and ending 30 days thereafter, purchase in aggregate up to 5,793,446 Shares from some of the Selling Shareholders (on a *pro rata* basis to the Existing Offer Shares offered by those Selling Shareholders, subject to a cap for Okil whereby it will not sell more than one-third of its Shares in the Offering) representing not more than 15% of the total number of Offer Shares sold in the Offering (before any utilisation of the Over-allotment Option) and in each case at the Offer Price. Shares acquired pursuant to the Over-allotment Option shall be acquired for the purposes, among other things, of meeting over-allotments and to cover short positions in connection with the Offering. Any Shares sold by the Selling Shareholders pursuant to the exercise of the Over-allotment Option will be sold on the same terms and conditions as the Offer Shares being made available by the Selling Shareholders in the Offering, will rank *pari passu* with all such Offer Shares, including for all dividends and other distributions declared, made or paid on such Offer Shares and will form a single class for all purposes with such Offer Shares.

Save as required by any legal or regulatory obligation, neither the Stabilisation Agent nor any of its agents intends to disclose the extent of any over-allotment and/or stabilisation transactions made or carried out in connection with the Offering.

## **Presentation of Financial and Other Information**

### ***Historical Financial Information***

This Prospectus contains the audited consolidated financial information of the Group as at and for the years ended 31 December 2014, 2013 and 2012, prepared in accordance with IFRS and with Part 9 of Book 2 of the DCC. The consolidated financial statements of the Group for the year ended 31 December 2014 have been audited by Ernst & Young Accountants LLP (“EY”), independent auditors. The consolidated financial statements of the Group for the years ended 31 December 2013 and 31 December 2012 have been audited by PricewaterhouseCoopers Accountants N.V. (“PwC”), independent auditors.

### ***Unaudited Aggregated Revenue and Volume Data***

As a result of the intra-year timing of the combination of the Company’s business with the business of Gerber, which was completed on 11 November 2013, the audited consolidated financial information of the Group for any of the periods presented prior to 2014 does not comprise the results of operations of the entire business undertaking of the Group as it exists at the date of this Prospectus. Therefore, the comparability of the historical consolidated financial information over each of the periods presented prior to 2014 is limited.

Consequently, this Prospectus contains certain unaudited aggregated revenue and volume data for the year ended 31 December 2013 that aggregates the revenue and volume of Refresco Gerber in 2013 and the revenue and volume of Gerber in the period from 1 January 2013 until 11 November 2013. The purpose of this information is to enable a more meaningful comparison of the business performance between 2014 and 2013. The aggregated revenue and volume data has been compiled by aggregating: (i) the relevant information of the Company for the year ended 31 December 2013 as derived from its audited financial statements for that year, which includes the relevant information of Gerber for the period from 12 November 2013 to 31 December 2013, as well as its internal records; and (ii) the relevant information of Gerber for the period from 1 January 2013 to 11 November 2013, as derived from the audited financial statements of Gerber (based on a number of separate annual accounts prepared under UK GAAP, German GAAP, IFRS and Polish GAAP) for the period from 1 January 2013 to 31 December 2013 (adjusted for the period from 12 November 2013 to 31 December 2013 based on Gerber’s internal records), as well as its internal records. Adjustments have been made to the resulting aggregation in instances where the historical revenue and volume data of Gerber was drawn up in accordance with an accounting framework, the measurement and recognition criteria of which differed substantially from the corresponding criteria applicable under IFRS as applied by Refresco, or where Gerber used accounting policy elections that differed substantially from those adopted by Refresco for the purposes of its own financial

statements. Gerber's revenue and volume data has also been adjusted to exclude its German Waibstadt operations that were divested in 2014 which was agreed with the European Commission in connection with the combination. The aggregated revenue and volume data does not include any other adjustments.

The aggregated revenue and volume data has been presented for illustrative purposes only and is not *pro forma* financial information, and should not be read as such. The aggregated revenue and volume data is provided for revenue and volume only and accordingly does not include all the information that would usually be included in a statement of income or any information that would usually be included in a statement of other comprehensive income, statement of financial position or statement of changes in equity, in each case prepared in accordance with IFRS. The aggregated revenue and volume data has been prepared only for the year ended 31 December 2013 and no similar financial or operating information has been prepared for any other period.

When calculating the breakdown of the aggregated volume data for the year ended 31 December 2013 by product category, the split of volumes from the Gerber entities by product category has been estimated by taking the split that was actually measured during the seven week period since the combination and applying that split to the full year volumes.

The aggregated revenue and volume data has not been prepared in accordance with the requirements of Regulation S-X of the US Securities Act or any generally accepted accounting standards, nor has it been prepared in accordance with the EU Prospectus Directive or IFRS. Neither the assumptions underlying the adjustments nor the resulting aggregated revenue and volume data has been audited or reviewed in accordance with any generally accepted auditing standard.

The aggregated revenue and volume data:

- (a) is based on available information and assumptions that management believes to be reasonable under the circumstances;
- (b) does not purport to represent what the actual revenue or volume would have been had the combination with Gerber occurred with effect from 1 January 2013; and
- (c) does not purport to project the Company's revenue or volume for any future period.

The aggregated revenue and volume data includes the revenue and volumes of the acquired Gerber businesses for the full year 2013 even though Refresco did not own or control Gerber during the full year 2013, and even though Refresco would not have been permitted under IFRS to consolidate the results of Gerber for the full year 2013 in any of its historical financial statements.

### **Changes in accounting principles and presentation**

The Company has applied IAS 19 revised in relation to the accounting of employee benefits for annual reporting periods beginning on or after 1 January 2013. The comparative financial information for 2012 appearing throughout this Prospectus has been adjusted to reflect the revised accounting standard. The restatements affect the balance sheet, the statement of other comprehensive income and the profit and loss statement for 2012. The details of these restatements are discussed in Note 2.21 to the 2013 annual financial statements, included in this Prospectus beginning on page F-1.

Effective as from 1 January 2014, the Company reports movements in provisions in its cash flow statements in the line item "cash flows from operating activities before changes in working capital". In the comparative cash flow statements for the years ended 31 December 2013 and 2012 appearing in this Prospectus, the item "changes in provisions" has been reclassified to the item "movements in provisions pensions and other provisions".

### **Non-IFRS Financial Measures**

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

- EBIT, which the Company defines as operating profit.
- Adjusted EBIT, which the Company defines as EBIT excluding the costs related to the combination with Gerber and other exceptional costs.



- EBITDA, which the Company defines as operating profit before depreciation, amortisation and impairment costs. For a reconciliation of EBITDA to operating profit in the periods under review, see “*Selected Financial Information – Non-IFRS Financial Measures and Other Indicators*”.
- Adjusted EBITDA, which the Company defines as EBITDA excluding the costs related to the combination with Gerber and other exceptional costs. For a reconciliation of EBITDA and Adjusted EBITDA to operating profit in the periods under review, see “*Selected Financial Information – Non-IFRS Financial Measures and Other Indicators*”.
- Gross profit margin per litre, which the Company defines as revenue and other income<sup>7</sup> less other costs of sales, raw materials and consumables used, divided by the number of litres sold.
- Net Debt (used solely for the purpose of calculating the Net Debt/Adjusted EBITDA ratio), which the Company defines as the nominal value of interest-bearing financial liabilities net of activated finance costs, less net cash and cash equivalents (including cash classified as held for sale, net of bank overdrafts).
- Leverage ratio, which the Company defines as Net Debt divided by Adjusted EBITDA.
- Cash flow conversion, which the Company defines as the outcome of Adjusted EBITDA minus capital expenditures divided by Adjusted EBITDA.
- Return on capital employed or “ROCE”, which the Company defines as Adjusted EBIT before goodwill impairments divided by the outcome of non-current assets, plus working capital, less employee benefits.
- Working capital, which the Company defines as total current assets excluding cash and cash equivalents, plus assets classified as held for sale, less total current liabilities excluding the current portion of loans and borrowings, less liabilities held for sale.
- Gross profit, which the Company defines as revenue and other income less other costs of sales, raw materials and consumables used and packaging materials.
- Operating expenses are employee benefits expense and other operating expenses.

For the unaudited aggregated revenue and volume data for the year ended 31 December 2013 that aggregates the revenue and volume of Refresco Gerber in 2013, and the revenue and volume of Gerber in the period from 1 January 2013 until 11 November 2013, see “*Important Information – Presentation of Financial and Other Information – Unaudited Aggregated Revenue and Volume Data*”.

The non-IFRS financial measures in this Prospectus have not been audited or reviewed, and are not recognised measures of financial performance under IFRS, but are measures used by the Executive Board to monitor the underlying performance of the business and operations. They may not be indicative of historical operating results, nor are they meant to be predictive of future results. The non-IFRS financial measures presented in this Prospectus are considered by the Executive Board to be important supplemental measures of performance and the Executive Board believes that they are widely used in the Company’s industry as a means of evaluating a company’s operating performance. However, not all companies calculate these 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, no undue reliance should be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS.

### **Certain Terms**

As used herein, “products” of the Company, unless otherwise stated, refers to both the Company’s private label products (including the Company’s value brands) and products manufactured by the Company through co-packing.

As used herein, all references to the “Company” or the “Group” are to Refresco Gerber N.V. and, as the context requires, any or all of its subsidiaries, taken as a whole.

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<sup>7</sup> Other income relates to gains and losses on sale of property, plant and equipment.



## **Market, Economic and Industry Data**

### ***General***

This Prospectus includes market, economic and industry data, which the Company obtained from industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market, economic and industry data have primarily been derived and extrapolated from reports provided by Euromonitor International (“**Euromonitor**”), Canadean Ltd (“**Canadean**”), and Planet Retail Ltd (“**Planet Retail**”).

In addition, certain statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company’s business and markets in this Prospectus are not based on published data obtained from independent third parties or extrapolations therefrom, but rather are based upon the Company’s analysis and best estimates, which are in turn based upon multiple third party sources, including Euromonitor, Canadean, Planet Retail, and a private market study commissioned from Boston Consulting Group in 2014 (together, the “**Company Market Study**”).

The Company has included historical information from the sources for the years 2013, 2012 and 2011 (historical market data for 2014 is generally not yet available). However, in some cases, market data and other statistical information were not available for all of these years. Some data is based on assumptions and good faith estimates of the Company (including, for example, estimates for 2014 and forecasts for 2015, 2016, and 2017), which is derived in part from a review of internal surveys of the Company, as well as the sources mentioned above. The main assumptions relate to GDP development in the Company’s key countries/ regions, the behaviour of the Company’s customers, and end-consumers, health trends, consolidation among retailers, the level of outsourcing by A-brand owners and regulatory and tax changes. The Company cannot guarantee that a third party using different methods to assemble, analyse or compute this data would obtain or generate the same results.

The information in this Prospectus that has been sourced from independent sources has been accurately reproduced. The Company has not independently verified or audited this data or determined the reasonableness of assumptions used by their compilers. As far as the Company is aware and able to ascertain from the information published by the relevant independent sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The third party sources the Company has used generally state that the information they contain has been obtained from sources believed to be reliable. These third-party sources also state, however, that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third party sources, the Company is unable to verify such information and, while the Company believes it to be reliable, the Company cannot guarantee its accuracy or completeness.

The Company cannot assure that any of the assumptions that the Company has made while compiling this data from third-party sources are accurate or correctly reflect its position in the industry and none of its internal estimates have been verified by any independent sources. None of the Company, the Selling Shareholders or the Underwriters make any representation or warranty as to the accuracy or completeness of the information derived from third-party sources. None of the Company, the Selling Shareholders or the Underwriters have independently verified the information from third-party sources and, while the Company believes it to be reliable, none of the Company, the Selling Shareholders or the Underwriters can guarantee its accuracy.

### ***Soft Drinks Market***

All data relating to the size of the soft drinks market, as well as historical and forecasted growth of that market, is primarily derived from Euromonitor and Canadean. Unless otherwise noted, the soft drinks market data the Company presents refers to the off-trade retail market only. All data showing consumption per capita is based on these market estimates and population data and forecasts from Euromonitor. Euromonitor and Canadean provide data on both a retail sales value and volume basis. The Company has elected to present volume data as the Company believes that this is more relevant because the Company can compare the Euromonitor and Canadean data with the Company’s data on a “like-for-like” basis. Data presented on a value basis reflects retail selling prices, which require adjustments to deduct applicable taxes and margins before they can be compared to the Company’s own sales.

Unless otherwise stated, the geographic perimeter of the market described comprises the Company's key countries/regions which are: Germany, UK, Benelux<sup>8</sup>, France, Italy, and Iberia<sup>9</sup>.

### ***Private Label Market***

The data relating to the private label volume share in the soft drinks market is primarily derived from Euromonitor for historical information, and for future information estimated on the basis of an internal forecast model for the growth of private label volumes for each of the key countries/regions. The Company's forecast model takes into account the channel (discounters vs. other retailers) and category mix effects based on the soft drinks volume forecast by category from Euromonitor and the channel share forecasts derived from Euromonitor and Planet Retail.

### ***Co-Packing Market***

Co-packing market volumes are based on a bottom-up analysis at country and brand level, leveraging the Company's central and local management teams' knowledge of the A-brand owners' manufacturing operations and plans. The analysis has been conducted to estimate the current share of co-packing in branded volumes ('co-packing penetration'), as well as the future growth of co-packing volumes and future co-packing penetration. Furthermore, the co-packing market has been categorised into the three segments: larger brands/products within larger groups; lower volume brands/products within larger groups; and new entrants and local players based on the characteristics of the outsourced volumes derived from the knowledge of the Company's central and local management teams.

Due to the methodology applied, co-packing market volumes have not been estimated for historical periods before 2013.

### ***Market Shares***

The data relating to the Company's market shares is derived from the Company's estimate of the size of the different market segments and based on the Company's volumes in each market segment. Volume shares for the private label soft drinks market have been estimated for each of the Company's key geographic markets separately. Co-Packing volume share has been estimated across all of the Company's key markets because there is far less visibility on the country destination of branded products compared to private label products.

The data relating to the market shares of competitors is based on internal estimates, considering publicly available competitors' volume information and internal experience-based market knowledge. All market shares are based on the destination of the volumes (i.e. where volumes have been sold) regardless of where manufacturing has occurred.

### ***Retail Channel Shares***

Retail channel shares (discounters compared to other retailers) are primarily based on Euromonitor soft drinks data. Channel share development forecasts are derived from Planet Retail Edible Grocery forecasts, through categorisation of banners into the two channels considered (i.e. discounters and other retailers).

### ***Exchange Rate Information***

The exchange rates below are provided solely for information and convenience. The tables below show, for the periods indicated, the period end, average, high and low Bloomberg composite rate expressed as US dollar per EUR1.00. The Bloomberg composite rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The average rate for a year means the average of the Bloomberg composite rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg composite rates during that month, or shorter period, as the case may be. The rates differ from the actual rates used in the preparation of the financial information appearing in this Prospectus (see note 3.1.3 to the financial statements for the year ended 31 December 2014, included on page F-1). No representation is made that euros could have been, or could be, converted into US dollars at any particular rate indicated or any other rate.

<sup>8</sup> Benelux comprises Belgium, Netherlands.

<sup>9</sup> Iberia comprises Spain and Portugal.

|                                    | <u>Period end</u> | <u>Average rate</u> | <u>High</u> | <u>Low</u> |
|------------------------------------|-------------------|---------------------|-------------|------------|
|                                    |                   | USD per EUR1.00     |             |            |
| <b>Year</b>                        |                   |                     |             |            |
| 2012 .....                         | 1.3193            | 1.2860              | 1.3458      | 1.2061     |
| 2013 .....                         | 1.3743            | 1.3285              | 1.3802      | 1.2780     |
| 2014 .....                         | 1.2098            | 1.3285              | 1.3934      | 1.2098     |
| 2015 (through 13 March 2015) ..... | 1.0496            | 1.1374              | 1.2104      | 1.0496     |

|                                          | <u>Period end</u> | <u>Average rate</u> | <u>High</u> | <u>Low</u> |
|------------------------------------------|-------------------|---------------------|-------------|------------|
|                                          |                   | USD per EUR1.00     |             |            |
| <b>Month</b>                             |                   |                     |             |            |
| November 2014 .....                      | 1.2452            | 1.2475              | 1.2554      | 1.2375     |
| December 2014 .....                      | 1.2098            | 1.2307              | 1.2511      | 1.2098     |
| January 2015 .....                       | 1.1291            | 1.1630              | 1.2104      | 1.1204     |
| February 2015 .....                      | 1.1196            | 1.1354              | 1.1481      | 1.1196     |
| March 2015 (through 13 March 2015) ..... | 1.0496            | 1.0854              | 1.1184      | 1.0496     |

On 13 March 2015, the Bloomberg composite rate between the US dollar and the euro was USD1.0496 per EUR1.00.

### **Rounding, Adjustment and Currency**

Certain figures contained in this Prospectus, including financial information and market and industry data, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Unless otherwise indicated, financial information relating to the Company is presented in euro. All references in this Prospectus to euro and EUR refer to the 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 EU, as amended.

### **Restrictions on the Offering**

The Offering, the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, the Offer Shares may be restricted by law in certain jurisdictions other than the Netherlands, including but not limited to the US.

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. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, the Selling Shareholders or the Underwriters accepts or assumes any responsibility or liability for any violation by any person of any such restrictions. None of the Company, the members of the Executive Board or Supervisory Board, any of the Selling Shareholders, any of the Underwriters 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. 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.

The content of this Prospectus is not to be considered or interpreted as legal, commercial, investment, financial or tax advice. Each prospective investor should consult his own stockbroker, bank manager, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Shares, to consider such investment decision in light of the prospective investor's personal circumstances, and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares.

As a condition to accept, deliver, transfer, exercise, purchase, subscribe for or trade in Offer Shares, each purchaser will be deemed to have made, or, in some cases, be required to make, certain representations and warranties which will be relied upon by the Company, the Selling Shareholders, the Listing and Paying Agent, the Underwriters, and others. The Company, the Selling Shareholders and the Underwriters reserve the right, in their sole and absolute discretion, to reject any offer to purchase Offer Shares that the Company, the Selling Shareholders or the Underwriters believe may give rise to a breach or violation of any law, rule or regulation.

Investors who subscribe for or purchase Offer Shares in the Offering will be deemed to have acknowledged that: (a) they have not relied on any of the Listing and Paying Agent, the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (b) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the members of its Executive Board and Supervisory Board, the Selling Shareholders, the Listing and Paying Agent or any of the Underwriters. For a more detailed description of restrictions relating to the Offering, see “*Selling Restrictions*” and “*Transfer Restrictions*”.

### **Information Regarding Forward-Looking Statements**

This Prospectus contains various forward-looking statements that reflect management’s current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expression, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, “*Risk Factors*”, “*Dividend Policy*”, “*Operating and Financial Review*” (notably the subparagraph “Current trading and outlook”), “*Industry*” and “*Business*” and include, among other things, statements relating to:

- the Company’s strategy, outlook and growth prospects;
- the Company’s liquidity, capital resources and capital expenditures;
- expectation as to future growth in demand for the Company’s products;
- general economic trends, in particular economic conditions in the Company’s key countries/regions; and
- the competitive environment in which the Company operates.

Although the Company believes the expectations reflected in these forward-looking statements are reasonable, the Company can provide no assurance that they will materialise or prove to be correct. Because these statements are based on assumptions and estimates and are subject to known and unknown risks and uncertainties, the actual results or outcome could differ materially from those expressed or implied in such statements as a result of many factors, many of which are beyond the Company’s ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants and other factors such as the Company’s ability to continue to extract synergies from past and future acquisitions, obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates and changes in economic or technological trends or conditions and the other risks and uncertainties detailed in “*Risk Factors*”. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made, and the Company assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. Investors or prospective investors should not place undue reliance on the forward-looking statements in this Prospectus. The Company urges investors to read “*Risk Factors*”, “*Operating and Financial Review*” and “*Industry*” for a more complete discussion of the factors that could affect the Company’s future performance and the industry in which the Company operates.

### **Notice to Investors**

**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, AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

*Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares.*

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. None of the Company, the Selling Shareholders, the Listing and Paying Agent or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Offer Shares, of any such restrictions. The Company, the Selling Shareholders and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholders, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

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.

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read “*Selling Restrictions*” and “*Transfer Restrictions*” in this Prospectus.

### **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The 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, sold, pledged or otherwise transferred within the United States unless the Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Shares will only be sold in the United States to persons reasonably believed to be QIBs in reliance on Rule 144A and applicable state securities laws. All offers and sales of the Shares outside the United States will be made in compliance with Regulation S under the US Securities Act. Transfers of the Shares will be restricted and each purchaser of the Shares will be deemed to have made acknowledgments, representations and agreements, as described under “*Transfer Restrictions*”.

In addition, until the end of the 40th calendar day after the commencement of the offering, an offer or sale of the Offer Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the US Securities Act.

None of the Company, the Selling Shareholders, the Listing and Paying Agent or the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective investor in the Offer Shares, of any of the foregoing restrictions.

**THE SHARES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE RIGHTS OR THE SHARES OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective purchaser to consider purchasing the particular securities described herein.

The information contained in this Prospectus has been provided by the Company and the other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Company and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without the Company’s prior written consent, 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 securities described herein. Investors agree to the foregoing by accepting delivery of this Prospectus.



For so long as any Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act. The Company is currently not subject to the periodic reporting requirements of the US Exchange Act.

#### **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 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 PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE SUBSCRIBER, PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

#### **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM**

This Prospectus is directed at and for distribution in the UK only to: (i) persons who have professional experience in matters relating to investments falling within section 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within section 49(2)(a) to (d) of the Order (all such persons being together referred to in this paragraph as “**relevant persons**”). This Prospectus is directed only at relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of their contents. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Furthermore, the Underwriters have warranted that they: (i) have only invited or will only invite participation in investment activities in connection with the offering or the sale of the shares within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”), and have only initiated or will only initiate such investment activities to the extent that Section 21(1) of the FSMA does not apply to the Company; and (ii) have complied and will comply with all applicable provisions of FSMA with respect to all activities already undertaken by each of them or will undertake in the future in relation to the shares in, from, or otherwise involving the UK.

#### **NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

In relation to each Member State of the European Economic Area (other than the Netherlands) which has implemented the Prospectus Directive (in this paragraph, each, a “**Relevant Member State**”), an offer to the public of any Shares may not be made in that Relevant Member State unless this Prospectus has been approved by the competent authority in such Relevant Member State or passported and published in accordance with the Prospectus Directive as implemented in such Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined in the Prospectus Directive;
- by the Underwriters 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 which do not require the publication by the Company or any underwriter of a prospectus pursuant to section 3 of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to section 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purpose hereof, an “offer of any shares to the public” in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

### **Enforcement of Judgments**

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 will be a public company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands. The members of the Executive Board and Supervisory Board reside outside the US. The assets of these individuals are predominantly located outside the US. The Company’s assets are predominantly located outside the US. As a result, it may be impossible or difficult for investors to effect service of process upon the Company, its affiliates or its directors and officers, or to enforce judgments obtained in the US against the Company, its affiliates or its directors and officers, including judgments based on the civil liability provisions of the US federal securities laws.

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, there is doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal securities laws of the US or judgments of US courts, including judgments based on the civil liability provisions of the US federal securities laws. 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 its 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, except to the extent that the foreign judgment contravenes Dutch public policy.

### **Incorporation by Reference**

The following information will be incorporated in this Prospectus by reference to the Company’s website: [www.refrescogerber.com](http://www.refrescogerber.com). Other information on the Company’s website is not part of this Prospectus.

The following table refers to certain information included in the Company’s annual report for 2012 which is incorporated in the Prospectus by reference and is available at the Company’s website: [www.refrescogerber.com](http://www.refrescogerber.com). Except as expressly set out in the table below, no other portions of the Company’s annual report for 2012 are incorporated by reference in this Prospectus.

| <b>Information</b>                             | <b>Source</b> |
|------------------------------------------------|---------------|
| Consolidated income statement                  | p. 58         |
| Consolidated statement of comprehensive income | p. 59         |
| Consolidated balance sheet                     | p. 60         |
| Consolidated statement of changes in equity    | p. 61         |
| Consolidated statement of cash flows           | p. 62         |
| Notes to the consolidated financial statements | p. 63-108     |
| Other information                              | p. 115        |
| Independent auditor’s report                   | p. 116        |

The Company's articles of association as they will read upon conversion of the Company into a public company on the Settlement Date (the "**Articles of Association**") (the official Dutch version and an English translation thereof) are incorporated in this Prospectus by reference and, as such, form part of this Prospectus.

Copies of the Articles of Association can be obtained in electronic form from the Company's website at [www.refrescogerber.com](http://www.refrescogerber.com). Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company's website ([www.refrescogerber.com](http://www.refrescogerber.com)), or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Prospectus.

## 5. USE OF PROCEEDS

The Company will only receive proceeds of the Offering resulting from the issuance and sale of the New Offer Shares, with gross proceeds aimed to be approximately EUR100 million. The costs of the Offering borne by the Company are estimated not to exceed approximately EUR26.1 million, including underwriting commissions (in respect of the New Offer Shares, the Existing Offer Shares and the Additional Shares (if any)) of up to EUR13.8 million and certain other expenses of up to EUR12.3 million (which includes all costs incurred by the Selling Shareholders which will be paid by the Company). Based on the maximum costs related to the Offering, the Company estimates that net proceeds to the Company from the sale of the New Offer Shares would amount to approximately EUR73.9 million.

The Company will use the net proceeds of the sale of the New Offer Shares, and its cash reserves, to repay an amount of EUR100 million on its Floating Rate Notes (see “*Capitalisation and Indebtedness*” and “*Operating and Financial Review – Loans and Borrowings*”). The Company targets a leverage ratio (defined as Net Debt divided by Adjusted EBITDA) of approximately up to 2.5x after completion of the Offering.

The Company will not receive any proceeds from the sale of the Existing Offer Shares and/or the sale of any Additional Shares by the Selling Shareholders, the proceeds of which will be received by the Selling Shareholders.

## 6. DIVIDEND POLICY

### General

The Executive Board, with the approval of the Supervisory Board, determines which part of the profits will be added to reserves, taking into account the financial condition, earnings, cash needs, capital requirements (including requirements of its subsidiaries) and any other factors that the Executive Board and the Supervisory Board deem relevant in making such a determination. The remaining part of the profits after the addition to reserves will be at the disposal of the General Meeting. The Executive Board, with the approval of the Supervisory Board, makes a proposal for the remaining part of the profits that will be at the disposal of the General Meeting. Dividend distribution is further summarised in “*Description of Share Capital and Corporate Governance – Dividend Distributions*”.

### Dividend History

The Company has not paid any dividends in respect of the financial years 2014, 2013 and 2012.

### Dividend Policy

The Company’s intention is to apply a dividend pay-out policy that aims to pay out 35% to 50% of its annual adjusted net income.<sup>10</sup>

The Company’s intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company’s control. Please see “*Risk Factors – The Company is subject to significant restrictive debt covenants, which limit its financial and operating flexibility.*”, “*Risk Factors – The Company is a holding company and has limited assets and limited ability to generate revenue. The Company will depend on its subsidiaries to provide it with funds to meet its obligations.*” and “*Important Information – Information Regarding Forward-Looking Statements*”.

### Manner and Time of Dividend Payments

Payment of any dividend in cash will be made in euro. 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. Payment of dividends on the Shares in registered form (not held through Euroclear Nederland, but directly) will be made directly to the relevant Shareholder using the information contained in the Company’s shareholders’ register and records.

### Limitations on Distributions

The Company is a holding company and its ability to generate income and pay dividends is dependent on the ability of its subsidiaries to declare and pay dividends or lend funds to the Company. In addition, the Company’s ability to pay dividends is subject to restrictions on the distribution of dividends under Dutch law and under the provisions of certain of the financing arrangements of the Company. Please see “*Risk Factors – The Company is a holding company and has limited assets and limited ability to generate revenue. The Company will depend on its subsidiaries to provide it with funds to meet its obligations*”.

Under the Indenture (as defined below) governing the Company’s Notes and the Revolving Credit Facility, cumulative dividends paid by the Company and its subsidiaries since the issue date of the Notes (16 May 2011) may generally not exceed 50% of the Company’s consolidated net income for the period from the beginning of the second quarter of 2011 to the end of the Company’s most recently ended fiscal quarter for which financial statements are available at the time of such dividend payment, provided that annual dividend payments of up to 5% of the Company’s market capitalisation are generally permitted. Such restrictions under the Indenture cease to apply if the Notes achieve an investment-grade credit rating.

The Company may only make distributions to its Shareholders if its equity exceeds the amount of the paid-in and called-up part of the issued capital plus the reserves as required to be maintained by the Articles of Association (if any) or by Dutch law.

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<sup>10</sup> The Company defines adjusted net income as net income excluding other exceptional costs / income.

**Uncollected Dividends**

A claim for any declared dividend and other distributions lapses five years after the date those dividends or distributions were released for payment. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to the Company.

**Taxation**

Dividend payments are generally subject to withholding tax in the Netherlands. See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*”.

## 7. CAPITALISATION AND INDEBTEDNESS

The information set out in the two tables below should be read in conjunction with and is qualified by reference to “Operating and Financial Review” and the financial statements included in “Financial Statements”.

The tables below set out the Company’s capitalisation and indebtedness as at 31 December 2014, on an actual basis (i.e. based on the Company’s audited consolidated balance sheet as at 31 December 2014) and as adjusted to reflect the Conversion, the receipt of the estimated net proceeds from the issue and sale of the New Offer Shares in the Offering, after deducting all estimated commissions and expenses payable (including all costs incurred by the Selling Shareholders which will be repaid by the Company), to the Company based on an Offer Price at the mid-point of the Offer Price Range (assuming no exercise of the Over-allotment Option).

The column headed “adjusted for the Offering and the refinancing” shows what the capitalisation and indebtedness would have been at 31 December 2014 had the estimated net proceeds from the issue and sale of the New Offer Shares been received at that date, had the Conversion taken place at that date, and had the intended prepayment of EUR100 million of the Company’s indebtedness also been completed at that date. For more information on the intended prepayment, see “Operating and Financial Review – Liquidity and Capital Resources – Liabilities and Indebtedness – Use of Proceeds and Refinancing”.

### Capitalisation

|                                                                       | As at 31 December 2014 |                             |                                                 |
|-----------------------------------------------------------------------|------------------------|-----------------------------|-------------------------------------------------|
|                                                                       | (actual)               | (adjusted for the Offering) | (adjusted for the Offering and the refinancing) |
|                                                                       |                        | (unaudited)                 | (unaudited)                                     |
| (EUR millions)                                                        |                        |                             |                                                 |
| <b>Current debt</b>                                                   |                        |                             |                                                 |
| Guaranteed                                                            | —                      | —                           | —                                               |
| Secured <sup>(1)</sup>                                                | 5.5                    | 5.5                         | 5.5                                             |
| Unguaranteed/Unsecured <sup>(2)</sup>                                 | 528.9                  | 528.5                       | 528.3                                           |
| <b>Total</b>                                                          | <b>534.4</b>           | <b>534.0</b>                | <b>533.8</b>                                    |
| <b>Non-Current debt (excluding current portion of long-term debt)</b> |                        |                             |                                                 |
| Guaranteed                                                            | —                      | —                           | —                                               |
| Secured <sup>(1)(3)</sup>                                             | 684.2                  | 684.2                       | 585.1                                           |
| Unguaranteed/Unsecured <sup>(4)</sup>                                 | 63.2                   | 63.2                        | 63.2                                            |
| <b>Total</b>                                                          | <b>747.4</b>           | <b>747.4</b>                | <b>648.3</b>                                    |
| <b>Shareholders’ equity</b>                                           |                        |                             |                                                 |
| Share capital                                                         | 5.9                    | 9.7                         | 9.7                                             |
| Share premium                                                         | 440.7                  | 533.1                       | 533.1                                           |
| Legal reserve                                                         | 3.3                    | 3.3                         | 3.3                                             |
| Other reserve                                                         | (12.2)                 | (12.2)                      | (12.2)                                          |
| Retained earnings <sup>(5)</sup>                                      | (117.8)                | (136.4)                     | (137.1)                                         |
| Profit and loss                                                       | 38.6                   | 38.6                        | 38.6                                            |
| <b>Total</b>                                                          | <b>358.5</b>           | <b>436.1</b>                | <b>435.6</b>                                    |
| <b>Total capitalisation</b>                                           | <b>1,640.3</b>         | <b>1,717.6</b>              | <b>1,617.6</b>                                  |

- (1) The security consists of collateral over the shares in certain subsidiaries of the Company, the majority of bank account receivables, movable assets, contract receivables, insurance receivables, intellectual property and real estate.
- (2) The changes are due to tax effects of the Offering and the refinancing. Includes all current liabilities except loans and borrowings.
- (3) Equals line item “Loans and Borrowings” in the Company’s balance sheet.
- (4) Includes all non-current liabilities except loans and borrowings.
- (5) The costs of the Offering and the refinancing are deducted from the retained earnings reserve.



## Indebtedness

|                                                     | As at 31 December 2014 |                             |                                                 |
|-----------------------------------------------------|------------------------|-----------------------------|-------------------------------------------------|
|                                                     | (actual)               | (adjusted for the Offering) | (adjusted for the Offering and the refinancing) |
|                                                     |                        | (unaudited)                 | (unaudited)                                     |
| <i>(EUR millions)</i>                               |                        |                             |                                                 |
| Cash and cash equivalents . . . . .                 | 96.6                   | 176.1                       | 76.1                                            |
| <b>Liquidity . . . . .</b>                          | <b>96.6</b>            | <b>176.1</b>                | <b>76.1</b>                                     |
| Current bank debt . . . . .                         | —                      | —                           | —                                               |
| Current portion of non-current debt . . . . .       | 5.5                    | 5.5                         | 5.5                                             |
| Other current financial debt . . . . .              | —                      | —                           | —                                               |
| <b>Current financial debt . . . . .</b>             | <b>5.5</b>             | <b>5.5</b>                  | <b>5.5</b>                                      |
| <b>Net current financial indebtedness . . . . .</b> | <b>(91.1)</b>          | <b>(170.5)</b>              | <b>(70.5)</b>                                   |
| Non-current bank loans . . . . .                    | 30.3                   | 30.3                        | 30.3                                            |
| Bonds issued . . . . .                              | 654.2                  | 654.2                       | 555.2                                           |
| Revolving credit facility . . . . .                 | (1.1)                  | (1.1)                       | (1.1)                                           |
| Other non-current loans . . . . .                   | 0.8                    | 0.8                         | 0.8                                             |
| <b>Non-current financial indebtedness . . . . .</b> | <b>684.2</b>           | <b>684.2</b>                | <b>585.1</b>                                    |
| <b>Net financial indebtedness . . . . .</b>         | <b>593.1</b>           | <b>513.7</b>                | <b>514.5</b>                                    |

The Company refers to note 6.2 of its annual accounts over 2014 for an overview and description of its commitments and contingent liabilities. As of 31 December 2014, the operational lease and rental commitments amounted to EUR112.5 million and the purchase and investment commitment amounted to EUR304.6 million.

## 8. SELECTED FINANCIAL INFORMATION

*This section contains selected consolidated financial information for the Group as at and for the years ended 31 December 2014, 2013 and 2012, as derived from the annual financial statements included in this Prospectus beginning on page F-1 and should be read in conjunction with those financial statements, the accompanying notes thereto and the respective independent auditor's reports thereon provided by EY and PwC.*

*Due to the combination of Refresco's business with the business of Gerber, which was completed on 11 November 2013, the audited consolidated financial information of the Group for any of the periods presented prior to 2014 does not comprise the results of operations of the entire business undertaking of the Group as it exists at the date of this Prospectus. Therefore, the comparability of the selected consolidated financial information over each of the periods presented prior to 2014 is limited. See "Important Information – Presentation of Financial and Other Information".*

*The selected consolidated financial information of the Group shown in the tables below should be read in conjunction with the information contained in "Important Information – Presentation of Financial and Other Information", "Capitalisation and Indebtedness", "Operating and Financial Review" and "Financial Statements".*

### Selected Consolidated Income Statement

| <i>(EUR millions)</i>                                              | <b>2014</b>    | <b>2013</b>    | <b>2012</b>    |
|--------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Revenue</b> .....                                               | <b>2,036.9</b> | <b>1,587.6</b> | <b>1,538.3</b> |
| Other income .....                                                 | —              | 0.3            | 0.5            |
| Raw materials and consumables used .....                           | (1,186.5)      | (971.8)        | (959.0)        |
| Employee benefits expense .....                                    | (226.8)        | (173.9)        | (150.3)        |
| Depreciation, amortisation and impairments .....                   | (87.8)         | (86.3)         | (73.4)         |
| Other operating expenses .....                                     | (429.0)        | (331.5)        | (319.9)        |
| <b>Operating profit</b> .....                                      | <b>106.8</b>   | <b>24.4</b>    | <b>36.2</b>    |
| Finance income .....                                               | 0.2            | 0.3            | 0.6            |
| Finance expense .....                                              | (49.6)         | (45.9)         | (48.4)         |
| <b>Net finance costs</b> .....                                     | <b>(49.4)</b>  | <b>(45.6)</b>  | <b>(47.8)</b>  |
| <b>Profit/(loss) before income tax</b> .....                       | <b>57.4</b>    | <b>(21.2)</b>  | <b>(11.6)</b>  |
| Income tax (expense)/benefit .....                                 | (20.9)         | (7.6)          | (5.8)          |
| <b>Profit/(loss) for the year from continuing operations</b> ..... | <b>36.5</b>    | <b>(28.8)</b>  | <b>(17.4)</b>  |
| Profit/(loss) for the year from discontinued operations .....      | 2.2            | (0.1)          | —              |
| <b>Profit/(loss) for the year</b> .....                            | <b>38.7</b>    | <b>(28.9)</b>  | <b>(17.4)</b>  |
| <b>Profit/(loss) attributable to:</b>                              |                |                |                |
| Owners of the Company .....                                        | 38.6           | (28.4)         | (17.4)         |
| Non-controlling interest .....                                     | 0.1            | (0.5)          | —              |

## Selected Consolidated Balance Sheet

(EUR millions)

|                                           | 2014           | 2013           | 2012           |
|-------------------------------------------|----------------|----------------|----------------|
| <b>Assets</b>                             |                |                |                |
| Property, plant and equipment             | 523.5          | 525.4          | 391.4          |
| Intangible assets                         | 428.4          | 422.8          | 298.2          |
| Other Investments                         | 5.7            | 5.9            | 3.9            |
| Deferred income tax                       | 4.2            | 9.5            | 11.1           |
| <b>Total non-current assets</b>           | <b>961.8</b>   | <b>963.6</b>   | <b>704.6</b>   |
| Inventories                               | 189.3          | 214.2          | 149.7          |
| Derivative financial instruments          | 9.3            | 0.2            | 0.3            |
| Current income tax receivable             | 0.2            | 0.9            | 0.9            |
| Trade and other receivables               | 382.1          | 350.2          | 255.5          |
| Cash and cash equivalents                 | 96.6           | 86.1           | 95.3           |
| <b>Total current assets</b>               | <b>677.5</b>   | <b>651.6</b>   | <b>501.7</b>   |
| <b>Assets classified as held for sale</b> | <b>3.8</b>     | <b>6.7</b>     | <b>—</b>       |
| <b>Total assets</b>                       | <b>1,643.1</b> | <b>1,621.9</b> | <b>1,206.3</b> |
| <b>Equity</b>                             |                |                |                |
| Issued share capital                      | 5.9            | 5.9            | 4.3            |
| Share premium                             | 440.7          | 440.7          | 259.8          |
| Other reserves                            | (8.9)          | (14.5)         | (10.0)         |
| Retained earnings                         | (117.8)        | (89.4)         | (72.0)         |
| Result for the year                       | 38.6           | (28.4)         | (17.4)         |
| <b>Total</b>                              | <b>358.5</b>   | <b>314.3</b>   | <b>164.7</b>   |
| Non-controlling interest                  | 2.8            | 3.6            | —              |
| <b>Total equity</b>                       | <b>361.3</b>   | <b>317.9</b>   | <b>164.7</b>   |
| <b>Liabilities</b>                        |                |                |                |
| Loans and borrowings                      | 684.2          | 784.6          | 655.5          |
| Derivative financial instruments          | 11.1           | 10.6           | 10.9           |
| Employee benefits provisions              | 34.7           | 32.5           | 24.7           |
| Other provisions                          | 2.1            | 4.2            | 1.6            |
| Deferred income tax                       | 15.3           | 15.8           | 15.8           |
| <b>Total non-current liabilities</b>      | <b>747.4</b>   | <b>847.7</b>   | <b>708.5</b>   |
| Loans and borrowings                      | 5.5            | 7.5            | 2.8            |
| Derivative financial instruments          | 1.9            | 4.5            | 1.3            |
| Trade and other payables                  | 498.0          | 427.4          | 320.4          |
| Current income tax payable                | 12.3           | 2.1            | 5.9            |
| Provisions                                | 16.7           | 12.6           | 2.7            |
| <b>Total current liabilities</b>          | <b>534.4</b>   | <b>454.2</b>   | <b>333.1</b>   |
| <b>Liabilities held for sales</b>         | <b>—</b>       | <b>2.1</b>     | <b>—</b>       |
| <b>Total liabilities</b>                  | <b>1,281.8</b> | <b>1,304.0</b> | <b>1,041.6</b> |
| <b>Total equity and liabilities</b>       | <b>1,643.1</b> | <b>1,621.9</b> | <b>1,206.3</b> |

## Selected Consolidated Statement of Cash Flow

(EUR millions)

|                                                                                                           | 2014           | 2013           | 2012          |
|-----------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| <b>Cash flows from operating activities</b>                                                               |                |                |               |
| <b>Profit/(loss) after tax including discontinued operations</b>                                          | <b>38.7</b>    | <b>(28.9)</b>  | <b>(17.4)</b> |
| <b>Adjustments for:</b>                                                                                   |                |                |               |
| Amortisation, depreciation and impairments                                                                | 87.8           | 86.3           | 73.4          |
| Net change in fair value derivative financial instruments recognised in profit and loss and premiums paid | (4.1)          | 2.7            | (0.5)         |
| Net finance costs                                                                                         | 49.4           | 45.6           | 47.8          |
| (Gain)/loss on sale of property, plant and equipment                                                      | (0.7)          | (0.3)          | (0.4)         |
| Income tax expense/(benefit)                                                                              | 20.9           | 7.6            | 5.8           |
| Movements in provisions pensions and other provisions                                                     | (5.1)          | 6.9            | 0.8           |
| <b>Cash flows from operating activities before changes in working capital</b>                             | <b>186.9</b>   | <b>119.9</b>   | <b>109.5</b>  |
| <b>Change in:</b>                                                                                         |                |                |               |
| Inventories                                                                                               | 14.9           | 4.2            | 3.4           |
| Trade and other receivables                                                                               | (28.3)         | 16.4           | 29.6          |
| Trade and other payables                                                                                  | 41.5           | (7.5)          | (32.9)        |
| <b>Total change in working capital</b>                                                                    | <b>28.1</b>    | <b>13.1</b>    | <b>0.1</b>    |
| Interest received                                                                                         | 0.2            | 0.3            | 0.5           |
| Interest paid                                                                                             | (48.1)         | (46.8)         | (50.6)        |
| Income taxes paid                                                                                         | (11.0)         | (16.4)         | (9.9)         |
| <b>Net cash generated from operating activities</b>                                                       | <b>156.1</b>   | <b>70.1</b>    | <b>49.6</b>   |
| <b>Cash flows from investing and acquisition activities</b>                                               |                |                |               |
| Proceeds from sale of property, plant and equipment                                                       | 0.8            | 0.7            | 5.9           |
| Purchase of property, plant and equipment                                                                 | (59.1)         | (47.3)         | (42.9)        |
| Purchase of intangible assets                                                                             | (0.9)          | (0.4)          | (0.6)         |
| Purchase/sale of other investments                                                                        | 20.6           | 0.6            | (0.2)         |
| Acquisition of subsidiary, net of cash acquired                                                           | —              | (126.0)        | (6.0)         |
| Loans granted outside the group                                                                           | —              | (2.2)          | —             |
| <b>Net cash used in investing and acquisition activities</b>                                              | <b>(38.6)</b>  | <b>(174.6)</b> | <b>(43.8)</b> |
| <b>Cash flows from financing activities</b>                                                               |                |                |               |
| Proceeds from loans and borrowings                                                                        | —              | 98.9           | —             |
| Repayment of loans and borrowings                                                                         | (106.3)        | (3.4)          | (2.8)         |
| <b>Net cash (used in)/from financing activities</b>                                                       | <b>(106.3)</b> | <b>95.5</b>    | <b>(2.8)</b>  |
| Translation adjustment                                                                                    | (0.2)          | (0.8)          | 2.7           |
| <b>Movement in cash and cash equivalents</b>                                                              | <b>11.0</b>    | <b>(9.8)</b>   | <b>5.7</b>    |
| Cash and cash equivalents as at 1 January                                                                 | 85.6           | 95.3           | 89.6          |
| Cash and cash equivalents as at 31 December                                                               | 96.6           | 85.6           | 95.3          |

## Aggregated Revenue and Volume

As a result of the intra-year timing of the combination of the Company's business with the business of Gerber, which was completed on 11 November 2013, the audited consolidated financial statements of the Group for any of the periods presented prior to 2014 do not comprise the results of operations of the entire business undertaking of the Group as it exists at the date of this Prospectus. Therefore, the comparability of the historical consolidated financial information over each of the periods presented prior to 2014 is limited.

Consequently, the table below contains certain unaudited aggregated revenue and volume data for the year ended 31 December 2013, that aggregates the revenue and volume of Refresco Gerber over 2013 and the revenue and volume of Gerber from 1 January 2013 until 11 November 2013. The purpose of this information, presented under the column titled “aggregated”, is to enable a more meaningful comparison between the business performance of the years 2014 and 2013 and it has been prepared for illustrative purposes only. See “*Important Information – Presentation of Financial and Other Information – Unaudited Aggregated Revenue and Volume Data*”.

|                      | Year ended 31 December        |                                     |                              |
|----------------------|-------------------------------|-------------------------------------|------------------------------|
|                      | 2014<br>(actual)<br>(audited) | 2013<br>(aggregated)<br>(unaudited) | 2013<br>(actual)             |
| (EUR millions)       |                               |                                     |                              |
| <b>Revenue</b> ..... | <b>2,036.9</b>                | <b>2,076.7</b>                      | <b>1,587.6<sup>(1)</sup></b> |
| (million litres)     |                               |                                     |                              |
| <b>Volume</b> .....  | <b>5,968.9</b>                | <b>6,030.5</b>                      | <b>5,054.0<sup>(2)</sup></b> |
| (1) Audited          |                               |                                     |                              |
| (2) Unaudited        |                               |                                     |                              |

### Non-IFRS Financial Measures and Other Indicators

The table below presents certain non-IFRS financial measures and operating data for the years ended 31 December 2014, 2013 and 2012. These are not recognised measures of financial performance under IFRS and have not been audited or reviewed. These non-IFRS financial measures are presented because they are used by management to monitor the underlying performance of the business and operations. See “*Important Information – Non-IFRS Financial Measures*” for additional information.

|                                                   | 2014<br>(unaudited) | 2013<br>(unaudited) | 2012<br>(unaudited)  |
|---------------------------------------------------|---------------------|---------------------|----------------------|
| <b>EBITDA<sup>(1)</sup> (EUR millions)</b> .....  | 194.6               | 110.7               | 109.6 <sup>(1)</sup> |
| <b>Adjusted EBIT (EUR millions)</b> .....         | 120.4               | 53.4                | 43.1                 |
| <b>Adjusted EBITDA (EUR millions)</b> .....       | 208.2               | 139.7               | 116.5 <sup>(2)</sup> |
| <b>Volume (million litres)</b> .....              | 5,968.9             | 5,054.0             | 4,943.9              |
| <b>Gross profit margin/litre (eurocent)</b> ..... | 14.2                | 12.2                | 11.7                 |
| <b>Adjusted EBITDA/litre (eurocent)</b> .....     | 3.5                 | 2.8                 | 2.4                  |
| <b>Net Debt/Adjusted EBITDA</b> .....             | 2.8x                | 5.1x                | 4.8x                 |
| <b>Cash flow conversion</b> .....                 | 60.2%               | 65.9%               | 62.7%                |
| <b>ROCE<sup>(3)</sup></b> .....                   | 12.2%               | 5.6%                | 6.0%                 |

Note: See “*Important Information – Non-IFRS Financial Measures*” for the relevant definitions.

(1) The table below reconciles EBITDA to operating profit and Adjusted EBITDA to EBITDA.

|                                                       | Year ended 31 December |                     |                     |
|-------------------------------------------------------|------------------------|---------------------|---------------------|
|                                                       | 2014<br>(unaudited)    | 2013<br>(unaudited) | 2012<br>(unaudited) |
| (EUR millions)                                        |                        |                     |                     |
| <b>Operating profit</b> .....                         | 106.8                  | 24.4                | 36.2                |
| Depreciation, amortisation and impairment costs ..... | 87.8                   | 86.3                | 73.4                |
| <b>EBITDA</b> .....                                   | 194.6                  | 110.7               | 109.6               |
| Acquisition/merger costs .....                        | 3.3                    | 9.4                 | 2.2                 |
| Costs refinancing .....                               | —                      | —                   | 0.3                 |
| Fair value adjustment inventory .....                 | —                      | 5.0                 | —                   |
| Restructuring costs .....                             | 4.5                    | 14.2                | 4.4                 |
| Other one-off costs .....                             | 5.8                    | 0.4                 | —                   |
| <b>Adjusted EBITDA</b> .....                          | 208.2                  | 139.7               | 116.5               |
| Depreciation, amortisation and impairment costs ..... | (87.8)                 | (86.3)              | (73.4)              |
| <b>Adjusted EBIT</b> .....                            | <b>120.4</b>           | <b>53.4</b>         | <b>43.1</b>         |

(2) Differs from annual account over financial year 2012 by approximately EUR1 million due to restatement pursuant to IAS19 revised.

(3) The table below shows the calculation of ROCE:

|                                       | Year ended 31 December |                    |                    |
|---------------------------------------|------------------------|--------------------|--------------------|
|                                       | 2014                   | 2013               | 2012               |
| <i>(EUR millions)</i>                 | <i>(unaudited)</i>     | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Non-current assets .....              | 961.8                  | 963.6              | 704.6              |
| Employee benefits provisions .....    | (34.7)                 | (32.5)             | (24.7)             |
| Working capital .....                 | 55.8                   | 123.5              | 76.1               |
| <b>Capital employed .....</b>         | <b>982.9</b>           | <b>1054.6</b>      | <b>756.0</b>       |
| Adjusted EBIT .....                   | 120.4                  | 53.4               | 43.1               |
| Impairment on goodwill .....          | 0.0                    | 5.9                | 2.5                |
| Adjusted EBIT before impairment ..... | 120.4                  | 59.3               | 45.6               |
| <b>ROCE .....</b>                     | <b>12.2%</b>           | <b>5.6%</b>        | <b>6.0%</b>        |



## 9. OPERATING AND FINANCIAL REVIEW

*The following review relates to the Company's historical financial condition and results of operations as at and for the financial years ended 31 December 2014, 2013 and 2012, respectively. This "Operating and Financial Review" should be read in conjunction with "Important Information – Presentation of Financial and Other Information", "Industry", "Business" and "Financial Statements". Prospective investors should read the entire Prospectus and not just rely on the information set out below. The financial information included in this "Operating and Financial Review" has been extracted without material adjustment from the Group's financial statements for the years 2014 and 2013, except for the aggregated revenue and volume data in the section 'Year 2014 compared to 2013' below which has been prepared for illustrative purposes only.*

*The following discussion of the Company's results of operations and financial condition contains forward looking statements. The Company's actual results could differ materially from those that it discusses in these forward looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Prospectus, particularly under "Risk Factors" and "Important Information – Information Regarding Forward Looking Statements".*

### Overview

The Company is the leading manufacturer of private label soft drinks for retailers in Europe in terms of volume. In Europe, it is also the leading co-packing manufacturer of soft drinks for A-brand owners. The Company also manufactures and sells speciality soft drinks products on a small scale under its own brands.

The Company has operations in the Western European market. Its key countries/regions are the Benelux (the Netherlands and Belgium), Germany, France, the UK, Iberia (Spain and Portugal) and Italy. The Company also has operations in Poland and Finland. The Company operates 27 production facilities across nine countries with a total of 159 production lines.

The Company manufactures a broad portfolio of products for its private label and co-packing customers. The Company's portfolio comprises CSDs, bottled water, fruit and vegetable juice, sports and energy drinks, still drinks (including ready-to-drink tea) and dilutables. The Company offers a range of packaging types and sizes.

Since 1999, the Company has acquired and consolidated 15 companies, some of which have a long history in soft drinks manufacturing dating back to the mid-nineteenth century. In 2012, the Company acquired Taja, a Polish private label manufacturer of CSD and bottled water. In 2013, the Company combined its business with Gerber by way of an issuance of new shares against contribution in kind.

In 2014, the Company sold approximately 6.0 billion litres of soft drinks. The Company's consolidated revenue for the year ended 31 December 2014 was approximately EUR2,037 million.

### Key Factors Affecting Results of Operations

#### *Private Label and Co-packing Growth*

Refresco Gerber's revenue is derived from manufacturing soft drinks for retail chains under their own private labels, and from co-packing (or "contract manufacturing"), the manufacturing of soft drinks for brand owners that have outsourced production to Refresco Gerber. In 2014, private label accounted for approximately 83% of revenue, and co-packing for the remaining 17%. Private label has historically performed relatively well during economic downturns as end-consumers look to value-for-money alternatives. Private label growth is also driven by consolidation of retail chains (in countries such as Italy and Poland), while in more mature markets such as the UK, the Netherlands, and Germany, retailers continue to develop their private label strategies to support growth. Revenue derived from co-packing is mainly driven by the outsourcing of production by brand owners. Reasons for outsourcing include: (i) increased focus on "asset-light" strategies; (ii) higher operational efficiency of specialist manufacturing players as a result of more management focus and greater ability to optimise line utilisation; (iii) a need for backup capacity covering peak demand or breakdowns of their own production lines and (iv) smaller branded players and new entrants looking for manufacturing capacity throughout the footprint.

#### *Volume*

Refresco Gerber's revenue depends on volume and pricing. Volume, expressed in litres, is the most important driver of revenue. The Company strives to increase sales volume in order to maximise the utilisation of its

production lines and obtain more competitive input pricing. Volumes are affected by the overall performance of the European economy. The economic climate has continued to be weak across Europe over the past three years. Declines in end-consumer disposable income, depressed retail markets, governmental austerity measures, high commodity prices and increasing unemployment in many European countries have all affected the soft drinks industry as a whole. As a result of the economic crisis, the industry is marked by increased penetration of private label soft drinks at the expense of branded products. The total soft drinks market in western Europe declined by 0.4% in 2014, and by 1.3% in 2013<sup>11</sup>. Refresco Gerber's volumes were under pressure mostly in southern European countries during 2013 (Iberia) and 2014 (Italy). In 2014 the Company's market share in the West European soft drinks market, both for private label and A-brands, was roughly flat as volume growth was at par with overall market growth.

### *Pricing*

Next to volume, the other driver of revenue (as well as profitability) is pricing. Refresco Gerber's sales prices are affected by a variety of factors, in particular the cost of raw materials and packaging materials, manufacturing and distributing products and the availability and price of competing products. As pricing is typically based on a filling fee, larger packaged products generate less revenue per litre. The trend over the past years is towards smaller sized products, causing revenue to grow more than litre volumes. The soft drinks market is fragmented, causing the Company to adopt different pricing policies per product category. Some of the Company's private label products, such as ready-to-drink teas, energy drinks and water, compete directly with comparable private label and A-brand products, which constrains the Company's ability to set prices. In less competitive categories such as NFC juices and aseptic PET or "A-PET", the Company has greater flexibility to adopt pricing strategies that maximise revenue. In newer product categories such as energy drinks packaged in PET and cans, there is also usually greater scope to use new packaging types and sizes to effect price changes. In addition, higher prices can be charged in some more remote regions, reflecting the higher transport costs involved in manufacturing and distributing products.

### *Gross profit margin*

The Company balances execution of its strategy around gross profit margin and volume growth in order to improve profitability. Company management tracks the development of price movements relative to volume by the key performance indicator of gross profit margin per litre, calculated as revenue and other income minus raw materials and consumables used, expressed per litre of volume. In general, the Company considers a higher gross profit margin per litre more important than volume growth, and may therefore decide not to tender for certain low margin customer contracts, move production to other plants or even shut down production at one location altogether in order to protect or increase the gross profit margin per litre. Depending on gross profit margin evolution, volume growth may be encouraged.

### *Growth through Acquisitions*

Since 1999, the Company has completed 15 acquisitions, bringing annual revenue from approximately EUR84.5 million in 1999 to over EUR2.0 billion in 2014. During the period 2007 to 2014, revenue grew from EUR952.0 million to more than EUR2.0 billion, Adjusted EBITDA from EUR77.5 million to EUR208.2 million and cash flow conversion (defined as Adjusted EBITDA minus capital expenditures, divided by Adjusted EBITDA) from 48.2% to 60.2%. In the future, Refresco Gerber plans to grow further through acquisitions by driving consolidation in its existing markets, and possibly by entering new geographic markets.

As a general matter, following an acquisition, results of operations are impacted by the results of the newly acquired business, debt incurred to acquire the business and expenditures made to integrate the newly acquired business. When intending to integrate and improve a newly acquired business, the Company will: (i) review current sales prices and product engineering to achieve increased margins on products sold; (ii) evaluate ways to further enhance purchasing power towards suppliers to benefit from economies of scale; (iii) reduce duplicated overhead; (iv) move production to the most efficient locations, subject to geography and logistics; (v) share knowledge and experience; (vi) create synergies with and benefits to the existing businesses; and (vii) improve management of working capital. Many of these integration measures will require expenditures.

On 11 November 2013, the Company combined its business with the business of Gerber, a manufacturer of fruit juices, CSDs and water. As part of the transaction, Gerber shareholders received newly issued shares representing 27.5% in the combination. The results of Gerber were consolidated in the results of Refresco Gerber

<sup>11</sup> Source: Canadian industry reports 2013 and 2014.

as from 12 November 2013. Gerber contributed EUR73.4 million of revenue and EUR1.3 million of net loss from 12 November 2013 to 31 December 2013. To illustrate, had the business combination occurred on 1 January 2013, the contribution to revenue and net loss for the 12-month period ended 31 December 2013 would have amounted to EUR725.1 million and EUR0.2 million, respectively. One of Gerber's plants, located at the Waibstadt (Germany) manufacturing site, and the related finance lease liabilities, were sold to comply with conditions imposed by the competition authorities. The divestment was completed on 31 July 2014. The results of the Waibstadt manufacturing site are presented in the 2013 and 2014 financial statements as discontinued operations and are therefore not included in the revenue and volume recorded in 2013 and 2014. In 2013, the Waibstadt plant accounted for approximately EUR160 million in annual revenue. The M&A costs in relation to the dual-track process in preparation of the sale of the Company in 2014 and 2015 amounted to approximately EUR7.8 million in total.

The combination of the Company and Gerber led to total transaction and integration costs of EUR42.3 million, which primarily include costs with respect to employee redundancies, plant closures, renegotiations or termination of contractual arrangements, advisors fees and other administrative expenses related to the transaction and the integration. EUR1.8 million of these costs were recorded in 2012, EUR34.0 million in 2013 and EUR6.5 million in 2014.

The synergies of the combination are to be achieved by integrating the purchasing, overheads, operations and commercial aspects of the two businesses. The Company estimates the total amount of cost synergies at 4.5%-6.0% of annual 2013 Gerber revenue, which it expects to achieve in full by the end of 2016. The procurement synergies (estimated at 3.0%-3.5% of annual 2013 Gerber revenue) have already largely been realised through renegotiated procurement contracts. The operational synergies arising from plant closures (estimated at 1.0%-1.5% of annual 2013 Gerber revenue) and overhead synergies to be achieved by headcount reduction (estimated at 0.5%-1.0% of annual 2013 Gerber revenue) are expected to be achieved in 2015 and 2016. Over 50% of the total run-rate synergies were achieved in 2014, and the Company expects to achieve over 60% of total run-rate synergies by the end of 2015. In addition to the synergies, the combination also resulted in a shift in the product mix and a reduction in working capital through improvement of supplier conditions and inventory optimisation.

### ***Prices of Raw Materials and Packaging Materials***

Raw materials and packaging materials are the largest cost component of the Company, accounting for approximately two-thirds of the total cost base. In 2014, Refresco Gerber spent EUR1,186.5 million on raw materials, consumables and packaging materials used. Of this amount, raw materials constituted 55%, with the balance consisting of packaging materials. Raw materials include primarily orange juice, apple juice, concentrates and sugar. Packaging materials are mainly PET, cartons and cans. The supplier base is highly concentrated, with only a few suppliers available for each category of products sourced.

Historically, prices for raw materials and packaging materials have fluctuated considerably. The Company's exposure to price fluctuations of raw materials and packaging materials mostly impacts its private label business. In co-packing, this price risk is typically borne by the customer, as the Company operates as a tolling manufacturer.

An increase in the prices of raw materials and packaging materials generally leads to an increase in the sales prices of Refresco Gerber's products. Increases in raw materials and packaging materials costs can typically be passed on to customers when contracts are renewed because most of the costs, such as sugar and packaging costs, generally affect the entire industry. The Company aims to protect its gross profit margin per litre among other things through its procurement policy of purchasing forward contracts for most raw materials and packaging materials to match sales in volume as well as in time. The Company's exposure to the commodity cycle is therefore limited to the extent sales are under- or over-covered by corresponding forward purchase contracts. This matching policy does not extend to all materials (PET for instance is only partly covered as there is no market and it must be physically stored) nor to all situations (small contracts for example are not always covered). A small portion of materials costs follows with an approximately half-year delay in passing through the commodity price changes to the agreed sales pricing, resulting in a small upside or downside deviation of gross profit margin per litre over time. In some cases, the Company may decide not to fully increase the prices of its products in order to sell a greater volume of products.

### ***Seasonality***

Sales of soft drinks are affected by weather, with sales generally being higher in the hot, dry months from April to September and lower during the colder and wetter months of October to March. Higher sales are also achieved

around the Christmas/New Year holiday period in late December. This applies mainly to water and CSDs sales, as fruit juice sales are generally evenly spread across the year. Seasonal changes are almost entirely for the account of the private label business, as the Company can produce for its co-packing customers upfront. While these end-consumer buying patterns lead to a natural seasonality in sales, unseasonable weather could significantly affect sales and profitability. The geographical diversity and diverse product mix mitigates part of the effect of seasonality. In 2014 (characterised by a wet August), approximately 47.0% of revenue was achieved during the first and fourth quarters, while 53.0% was realised in the second and third quarters. Due to the combination with Gerber and related shift in product mix towards fruit juices, the seasonality in sales in 2014 was reduced.

### ***Exchange Rates***

As a result of the geographic spread of operations, Refresco Gerber generates a portion of its revenue, and incurs a significant portion of its expenses, in currencies other than the euro. These currencies include the British pound, the US dollar and the Polish zloty. Typically, costs and corresponding revenue are denominated in the same currency. Occasionally, however, the Company is unable to match revenue received in foreign currencies with costs paid in the same currency, and results of operations are consequently impacted by currency exchange rate fluctuations. Some raw materials, such as frozen concentrated orange juice, are only available for sale in US dollars. Like with raw materials prices, the currency exposures are hedged back-to-back. On an annual basis, approximately USD230 million of raw materials and consumables are procured in US dollars for which the Company has hedges in place to minimise potential foreign currency exposure. Also, annual changes to raw material costs driven by exchange rates can generally be passed on to the customers with a slight time lag, in the same way as fluctuations in raw materials prices, at the time a customer's contract is renewed.

The Company reports its consolidated financial statements in its functional currency which is the euro. As a result, the assets, liabilities, revenue and expenses of all of its operations with a currency other than the euro are translated into euro at then applicable exchange rates. Consequently, increases or decreases in the value of the euro affect the value of these items with respect to the non-euro-denominated businesses in the consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger euro will reduce the reported results of operations of non-euro businesses and conversely a weaker euro will increase the reported results of operations of non-euro businesses. These translations could significantly affect the comparability of the Company's results between financial periods and/or result in significant changes to the carrying value of the Company's assets, liabilities and shareholders' equity. The effects of these translations are recorded in the consolidated income statement as exchange differences on retranslation of foreign operations. During 2014, 22% of revenue was derived from subsidiaries whose functional currency was not the euro, largely the British pound and Polish zloty.

### **Key Financial and Operating Measures**

Refresco Gerber uses several key financial and operating measures, including volume, gross profit margin per litre, Adjusted EBITDA per litre, operating cost per litre, Adjusted EBITDA minus capex, cash flow conversion and ROCE to track the performance of its business. None of these terms are a measure of financial performance under IFRS, nor have these measures been reviewed by an outside auditor, consultant or expert. As these terms are defined by the Company's management, they may not be comparable to similar terms used by other companies. Please see "*Important Information – Presentation of Financial and Other Information*" for their definitions.

Revenue development is effectively a net result of the developments of volume, gross profit margin per litre and raw materials price movements. The Company aims to pass on raw materials price movements to its customers at the time of renewal of their contracts. The Company's pricing model targets certain negotiated gross profit margins per litre by customer, and revenue may vary from year to year as input costs change. As such, year-on-year variations in revenue need not be indicative of performance, with gross profit margin, volume and gross profit margin per litre representing more useful performance metrics.

## Consolidated Key Financial and Operating Information

|                                                           | Year ended 31 December |                |                |
|-----------------------------------------------------------|------------------------|----------------|----------------|
|                                                           | 2014                   | 2013           | 2012           |
| <i>(EUR millions, unless otherwise indicated)</i>         |                        |                |                |
| <i>(unaudited, except Volume 2014 and Revenue)</i>        |                        |                |                |
| <b>Volume (million litres)</b> .....                      | <b>5,968.9</b>         | <b>5,054.0</b> | <b>4,943.9</b> |
| % growth .....                                            | 18.1%                  | 2.2%           | (0.3%)         |
| <b>Revenue</b> .....                                      | <b>2,036.9</b>         | <b>1,587.6</b> | <b>1,538.3</b> |
| % growth .....                                            | 28.3%                  | 3.2%           | 1.0%           |
| <b>Gross profit</b> .....                                 | <b>850.4</b>           | <b>616.1</b>   | <b>579.8</b>   |
| % margin .....                                            | 41.7%                  | 38.8%          | 37.7%          |
| Operating expenses .....                                  | (655.8)                | (505.4)        | (470.2)        |
| One-off adjustments .....                                 | 13.6                   | 29.0           | 6.9            |
| <b>Adjusted EBITDA</b> .....                              | <b>208.2</b>           | <b>139.7</b>   | <b>116.5</b>   |
| % margin .....                                            | 10.2%                  | 8.8%           | 7.6%           |
| <b>Adjusted EBIT</b> .....                                | <b>120.4</b>           | <b>53.4</b>    | <b>43.1</b>    |
| % margin .....                                            | 5.9%                   | 3.4%           | 2.7%           |
| Capital expenditures .....                                | 82.9                   | 47.7           | 43.5           |
| % Revenue .....                                           | 4.1%                   | 3.0%           | 2.8%           |
| x Depreciation, amortisation and impairment .....         | 0.9x                   | 0.6x           | 0.6x           |
| Adjusted EBITDA-Capex .....                               | 125.3                  | 92.0           | 73.0           |
| Cash flow conversion .....                                | 60.2%                  | 65.9%          | 62.7%          |
| Working capital .....                                     | 55.8                   | 123.5          | 76.1           |
| % Revenue .....                                           | 2.7%                   | 7.8%           | 5.0%           |
| Revenue/litre ( <i>eurocents</i> ) .....                  | 34.1                   | 31.4           | 31.1           |
| Gross profit margin/litre ( <i>eurocents</i> ) .....      | 14.2                   | 12.2           | 11.7           |
| Total operating expenses/litre ( <i>eurocents</i> ) ..... | 11.0                   | 10.0           | 9.5            |
| Adjusted EBITDA/litre ( <i>eurocents</i> ) .....          | 3.5                    | 2.8            | 2.4            |
| ROCE .....                                                | 12.2%                  | 5.6%           | 6.0%           |
| FTEs (average) .....                                      | 4,194                  | 3,229          | 3,074          |
| FTEs (period end) .....                                   | 4,011                  | 4,704          | 3,009          |

Note: See “Important Information – Non-IFRS Financial Measures” for the relevant definitions.

### Current Trading and Outlook

On 2 February 2015, the Company sold the assets of the Durham plant in the UK for an amount of approximately GBP1.9 million.

For 2015, and based on the current market outlook, the Company expects organic volume growth compared to 2014 in the low to mid-single digits, and organic revenue growth slightly below organic volume growth, driven by pass-on of recent movements in the prices of raw materials. The Company expects that, based on the current outlook on the market and the competitive environment, the gross profit margin per litre for 2015 may come down marginally compared to 2014, due to product mix effects.

The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as of the date of this Prospectus but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, including but not limited to, those described in “Information Regarding Forward Looking Statements” and “Risk Factors”. Investors are urged not to place undue reliance on any of the statements set out above.

### Year 2014 Compared to Year 2013

As a result of the intra-year timing of the combination of the Company’s business with the business of Gerber, which was completed on 11 November 2013, the audited consolidated financial statements of the Group for any of the periods presented prior to 2014 do not comprise the results of operations of the entire business undertaking of the Group as it exists at the date of this Prospectus. Therefore, the comparability of the historical consolidated financial information over each of the periods presented prior to 2014 is limited.

Consequently, the below paragraphs contain certain unaudited aggregated revenue and volume data for the year ended 31 December 2013, that aggregates the revenue and volume of Refresco Gerber in 2013 and the revenue and volume of Gerber from 1 January 2013 until 11 November 2013. The purpose of this information, presented



under the columns headed “aggregated”, is to enable a more meaningful comparison between the business performance of the years 2014 and 2013 and it has been prepared for illustrative purposes only. See “*Important Information – Presentation of Financial and Other Information – Unaudited Aggregated Revenue and Volume Data*”.

#### Revenue and volume

The following table sets forth Refresco Gerber’s revenue and volume by country/region for the periods indicated.

|                                | Year ended 31 December        |                                     |                               |
|--------------------------------|-------------------------------|-------------------------------------|-------------------------------|
|                                | 2014<br>(actual)<br>(audited) | 2013<br>(aggregated)<br>(unaudited) | 2013<br>(actual)<br>(audited) |
| <b>Revenue (EUR millions)</b>  |                               |                                     |                               |
| Benelux .....                  | 431.8                         | 472.9                               | 472.9                         |
| Germany .....                  | 451.4                         | 466.3                               | 346.4                         |
| France .....                   | 320.2                         | 309.7                               | 260.4                         |
| UK .....                       | 363.2                         | 378.5                               | 92.2                          |
| Iberia .....                   | 153.2                         | 148.3                               | 148.3                         |
| Italy .....                    | 140.4                         | 150.5                               | 150.5                         |
| Other .....                    | 176.7                         | 150.5                               | 116.9                         |
| <b>Total .....</b>             | <b>2,036.9</b>                | <b>2,076.7</b>                      | <b>1,587.6</b>                |
|                                | (audited)                     | (unaudited)                         | (unaudited)                   |
| <b>Volume (million litres)</b> |                               |                                     |                               |
| Benelux .....                  | 1,058.4                       | 1,129.4                             | 1,129.4                       |
| Germany .....                  | 1,484.5                       | 1,434.6                             | 1,153.6                       |
| France .....                   | 862.7                         | 835.9                               | 750.5                         |
| UK .....                       | 634.1                         | 676.3                               | 153.0                         |
| Iberia .....                   | 544.8                         | 497.5                               | 497.5                         |
| Italy .....                    | 783.6                         | 822.0                               | 822.0                         |
| Other .....                    | 600.8                         | 634.6                               | 548.0                         |
| <b>Total .....</b>             | <b>5,968.9</b>                | <b>6,030.5</b>                      | <b>5,054.0</b>                |

Total revenues and volumes in 2014 increased compared to 2013 as a result of the combination with Gerber. Compared to the aggregated revenues and volumes of 2013, volumes and revenues in 2014 remained nearly flat. The strongest volume increase in 2014 compared to 2013 (aggregated) occurred in Iberia where volumes increased 9.5%, as a result of the Company attracting a large supermarket chain as a new private label customer. In the UK, both revenues and volumes in 2014 were down 4.0% and 6.2% compared to 2013 (aggregated), mainly because the Company’s private label business services traditional retail chains that suffered market share losses in 2014. In Italy, both revenue and volumes in 2014 decreased 6.7% and 4.7%, respectively, compared to 2013 (aggregated). The Italian retail market is highly fragmented, with many small family-owned shops competing with the larger supermarket chains serviced by Refresco Gerber through heavy promotions, resulting in private label sales decreasing. The “Other” category comprised North East Europe regions as well as revenue generated from a temporary delivery contract to the buyer of the Waibstadt facility to enable that buyer to continue servicing its customers.

The following table sets forth Refresco Gerber’s revenues and volume, split between private label and co-packing, for the periods indicated.

|                                    | Year ended 31 December        |                                     |                               |
|------------------------------------|-------------------------------|-------------------------------------|-------------------------------|
|                                    | 2014<br>(actual)<br>(audited) | 2013<br>(aggregated)<br>(unaudited) | 2013<br>(actual)<br>(audited) |
| <b>Revenue (EUR millions)</b>      |                               |                                     |                               |
| Private label and own brands ..... | 1,687.4                       | 1,752.2                             | 1314.2                        |
| Co-packing .....                   | 349.5                         | 324.5                               | 273.4                         |
| <b>Total .....</b>                 | <b>2,036.9</b>                | <b>2,076.7</b>                      | <b>1,587.6</b>                |
|                                    | (audited)                     | (unaudited)                         | (unaudited)                   |
| <b>Volume (million litres)</b>     |                               |                                     |                               |
| Private label and own brands ..... | 4,901.0                       | 5,029.3                             | 4,180.1                       |
| Co-packing .....                   | 1,067.9                       | 1,001.2                             | 873.9                         |
| <b>Total .....</b>                 | <b>5,968.9</b>                | <b>6,030.5</b>                      | <b>5,054.0</b>                |



In 2014, private label revenues decreased by 3.7% and volumes decreased by 2.6% compared to 2013 (aggregated), due to promotions by A-brands as well as the decision by the Company to not pursue certain low-margin, high-volume private label contracts. Co-packing revenues increased by 7.7% and volumes by 6.7% compared to 2013 (aggregated), as A-brand producers, especially newer brands such as Innocent, Arizona and Monster, outsourced their production to the Company.

The following table sets forth Refresco Gerber's revenue and volume per product for the periods indicated.

|                                       | Year ended 31 December              |                                     |                                     |
|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                       | 2014<br>(actual)<br>(audited)       | 2013<br>(aggregated)<br>(unaudited) | 2013<br>(actual)<br>(unaudited)     |
| <b>Revenue (EUR millions)</b>         |                                     |                                     |                                     |
| Fruit juices . . . . .                | 825.5                               | 875.4                               | 563.1                               |
| Carbonated soft drinks . . . . .      | 400.2                               | 410.5                               | 410.4                               |
| Functional and still drinks . . . . . | 522.6                               | 506.6                               | 346.3                               |
| Energy drinks and others . . . . .    | 136.9                               | 144.3                               | 139.1                               |
| Waters . . . . .                      | 151.7                               | 139.8                               | 128.7                               |
| <b>Total . . . . .</b>                | <b><u>2,036.9</u></b>               | <b><u>2,076.7</u></b>               | <b><u>1,587.6<sup>(1)</sup></u></b> |
|                                       | (unaudited)                         | (unaudited)                         | (unaudited)                         |
| <b>Volume (million litres)</b>        |                                     |                                     |                                     |
| Fruit juices . . . . .                | 1,473.3                             | 1,580.0                             | 975.5                               |
| Carbonated soft drinks . . . . .      | 1,650.8                             | 1,587.6                             | 1,587.6                             |
| Functional and still drinks . . . . . | 1,347.5                             | 1,316.3                             | 1,001.6                             |
| Energy drinks and others . . . . .    | 198.2                               | 231.6                               | 231.6                               |
| Waters . . . . .                      | 1,299.1                             | 1,315.1                             | 1,257.7                             |
| <b>Total . . . . .</b>                | <b><u>5,968.9<sup>(1)</sup></u></b> | <b><u>6,030.5</u></b>               | <b><u>5,054.0</u></b>               |

(1) Audited

In 2014, fruit juices increased by 46.6% in revenue and 51.0% in volumes compared to 2013, as Gerber almost exclusively produced fruit juices. Compared to 2013 (aggregated), however, fruit juices revenue decreased by 5.7% and volume by 7.1%. This decline is largely attributable to market share losses of the retail chains that are the Company's private label customers, especially in the UK and in Germany, as well as the general market decline in fruit juices.

The following table shows Refresco Gerber's revenue and volume per packaging type for the periods indicated.

|                                | Year ended 31 December              |                                     |                                     |
|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                | 2014<br>(actual)<br>(unaudited)     | 2013<br>(aggregated)<br>(unaudited) | 2013<br>(actual)<br>(unaudited)     |
| <b>Revenue (EUR millions)</b>  |                                     |                                     |                                     |
| PET . . . . .                  | 422.6                               | 434.3                               | 433.9                               |
| A-PET . . . . .                | 565.0                               | 548.0                               | 408.3                               |
| Cartons . . . . .              | 717.5                               | 788.2                               | 444.0                               |
| Cans . . . . .                 | 227.0                               | 238.1                               | 237.6                               |
| Other . . . . .                | 104.8                               | 68.0                                | 63.7                                |
| <b>Total . . . . .</b>         | <b><u>2,036.9<sup>(1)</sup></u></b> | <b><u>2,076.7</u></b>               | <b><u>1,587.6<sup>(1)</sup></u></b> |
|                                | (unaudited)                         | (unaudited)                         | (unaudited)                         |
| <b>Volume (million litres)</b> |                                     |                                     |                                     |
| PET . . . . .                  | 2,624.2                             | 2,569.0                             | 2,568.8                             |
| A-PET . . . . .                | 1,343.1                             | 1,302.1                             | 1,004.2                             |
| Cartons . . . . .              | 1,374.8                             | 1,514.4                             | 878.7                               |
| Cans . . . . .                 | 498.7                               | 507.0                               | 506.7                               |
| Other . . . . .                | 128.1                               | 137.9                               | 95.6                                |
| <b>Total . . . . .</b>         | <b><u>5,968.9<sup>(1)</sup></u></b> | <b><u>6,030.5</u></b>               | <b><u>5,054.0</u></b>               |

(1) Audited

In 2014, cartons revenues decreased by 9.0% and volumes by 9.2% compared to 2013 (aggregated), largely driven by the same factors underlying the declines in fruit juices and product mix effects. The “Other” revenues increased by 54.1% in 2014 compared to 2013 (aggregated), largely due to a temporary delivery contract entered into with the buyer of the Waibstadt facility. Under that contract, the Company agreed to supply the buyer against nil margin to enable it to continue servicing its customers for the remainder of the term of such contracts with those customers. In 2014, the temporary delivery contract generated EUR28 million revenue. The temporary delivery contract will terminate by no later than 31 July 2015.

#### *Raw materials and consumables used*

The following table sets forth Refresco Gerber’s raw materials and consumables used for the periods indicated.

|                                                                 | <b>Year ended 31 December</b> |                     |
|-----------------------------------------------------------------|-------------------------------|---------------------|
|                                                                 | <b>2014</b>                   | <b>2013</b>         |
|                                                                 | (audited)                     | (audited)           |
| <i>(EUR millions)</i>                                           |                               |                     |
| <b>Raw materials and consumables used</b>                       |                               |                     |
| Raw materials and consumables .....                             | 646.9                         | 513.3               |
| Packaging materials .....                                       | 524.2                         | 445.0               |
| Product tax .....                                               | 15.4                          | 13.5                |
| <b>Total .....</b>                                              | <b><u>1,186.5</u></b>         | <b><u>971.8</u></b> |
| <b>Gross profit margin per litre (eurocents, unaudited) ...</b> | <b><u>14.2</u></b>            | <b><u>12.2</u></b>  |

During 2014 the price of sugar substantially decreased. For the Company, sugar is one of the most important raw materials. The Company benefitted from the decline in the sugar price over the year as some customer contracts were entered into at the start of 2014 and priced at the higher sugar price levels prevailing at that time.

The gross profit margin per litre increased from 12.2 eurocents in 2013 to 14.2 eurocents in 2014. The increase was attributable not only to the decline of the sugar price, but also to the fact that Gerber contributed largely fruit juice business, which generates higher margins than other products. The gross profit margin per litre also increased as a result of the procurement synergies realised from the combination with Gerber as well as the Company’s strategy to favour higher margin contracts instead of high volume contracts in 2014.

#### *Employee benefits expenses*

The following table sets forth the employee benefits expenses for the periods indicated.

|                                                             | <b>Year ended 31 December</b> |                     |
|-------------------------------------------------------------|-------------------------------|---------------------|
|                                                             | <b>2014</b>                   | <b>2013</b>         |
|                                                             | (audited)                     | (audited)           |
| <i>(EUR millions)</i>                                       |                               |                     |
| <b>Employee benefits expenses</b>                           |                               |                     |
| Wages and salaries .....                                    | 182.0                         | 139.4               |
| Compulsory social security contributions .....              | 37.9                          | 30.0                |
| Pension contributions to defined contribution schemes ..... | 3.4                           | 1.9                 |
| Pension costs of defined benefit schemes .....              | 3.5                           | 2.6                 |
| <b>Total .....</b>                                          | <b><u>226.8</u></b>           | <b><u>173.9</u></b> |

The increase of the employee benefit expenses in 2014 compared to 2013 was mainly attributable to 30% increase in the average number of employees (fulltime equivalents) from 3,229 in 2013 to 4,194 in 2014 as a result of the combination with Gerber.

### Depreciation, amortisation and impairments

The following table sets forth Refresco Gerber's depreciation, amortisation and impairments for the periods indicated.

|                                                     | Year ended 31 December |             |
|-----------------------------------------------------|------------------------|-------------|
|                                                     | 2014                   | 2013        |
|                                                     | (audited)              | (audited)   |
| (EUR millions)                                      |                        |             |
| <b>Depreciation, amortisation and impairments</b>   |                        |             |
| Depreciation of property, plant and equipment ..... | 83.9                   | 76.5        |
| Amortisation of intangible assets .....             | 2.6                    | 3.9         |
| Impairments on tangible fixed assets .....          | 1.3                    | —           |
| Impairments on intangible assets .....              | —                      | 5.9         |
| <b>Total .....</b>                                  | <b>87.8</b>            | <b>86.3</b> |

The depreciation of property, plant and equipment in 2014 included an accelerated depreciation of the Italian facility at Sant Andrea for an amount of EUR2.6 million. The closure of Sant Andrea has been scheduled for November 2015 and the plant will be sold subsequently. The impairment on tangible fixed assets of EUR1.3 million mainly relates to an old Benelux production line.

### Other operating expenses

The following table sets forth Refresco Gerber's other operating expenses for the periods indicated.

|                                                    | Year ended 31 December |              |
|----------------------------------------------------|------------------------|--------------|
|                                                    | 2014                   | 2013         |
|                                                    | (audited)              | (audited)    |
| (EUR millions)                                     |                        |              |
| <b>Other operating expenses</b>                    |                        |              |
| Freight charges .....                              | 94.8                   | 74.2         |
| Other cost of sales, including excise duties ..... | 64.0                   | 55.2         |
| Promotion costs .....                              | 6.5                    | 3.3          |
| Temporary staff .....                              | 18.8                   | 12.5         |
| Other personnel costs .....                        | 12.3                   | 9.6          |
| Rent and leasing of machinery and equipment .....  | 22.3                   | 19.6         |
| Maintenance .....                                  | 49.5                   | 35.1         |
| Energy .....                                       | 47.5                   | 40.1         |
| Advice and legal costs .....                       | 15.6                   | 13.3         |
| Housing costs, including rental of buildings ..... | 17.3                   | 13.8         |
| Storage costs .....                                | 27.0                   | 18.4         |
| Other operating costs .....                        | 53.4                   | 36.4         |
| <b>Total .....</b>                                 | <b>429.0</b>           | <b>331.5</b> |

Other operating expenses increased by 29.4% from EUR331.5 million in 2013 to EUR429.0 million in 2014, as a result of the full year effects from the combination with Gerber, offset by savings arising from synergy benefits realised by the combination as well as savings achieved in the closure of Heerlen and Durham facilities in 2014.

### Net finance costs

The following table sets forth Refresco Gerber's net finance costs for the periods indicated.

|                                                                            | Year ended 31 December |               |
|----------------------------------------------------------------------------|------------------------|---------------|
|                                                                            | 2014                   | 2013          |
|                                                                            | (audited)              | (audited)     |
| (EUR millions)                                                             |                        |               |
| <b>Net finance cost</b>                                                    |                        |               |
| Interest income .....                                                      | 0.2                    | 0.3           |
| Interest expense on financial liabilities measured at amortised cost ..... | (47.4)                 | (46.8)        |
| Cost of borrowings .....                                                   | (2.2)                  | (1.7)         |
| Change in fair value of derivatives recognised in profit and loss .....    | —                      | 2.6           |
| <b>Total .....</b>                                                         | <b>(49.4)</b>          | <b>(45.6)</b> |

The net amount of finance cost in 2014 was EUR49.4 million, representing an 8.3% increase compared to 2013, reflecting mainly the interest paid on the facilities to finance the combination with Gerber.

#### *Income tax (expense)/benefit*

The following table sets forth Refresco Gerber's income tax (expense)/benefit for the years 2014 and 2013.

|                                           | <b>Year ended 31 December</b> |                     |
|-------------------------------------------|-------------------------------|---------------------|
|                                           | <b>2014</b>                   | <b>2013</b>         |
|                                           | <i>(audited)</i>              | <i>(audited)</i>    |
| <i>(EUR millions)</i>                     |                               |                     |
| <b>Current tax (expense)/benefit</b>      |                               |                     |
| Current income tax .....                  | (20.2)                        | (11.7)              |
| Other taxes .....                         | <u>(2.8)</u>                  | <u>(1.1)</u>        |
| <b>Current tax expense</b> .....          | <b>(23.0)</b>                 | <b>(12.8)</b>       |
| Deferred income tax current year .....    | 1.6                           | 5.1                 |
| Deferred income tax previous years .....  | —                             | 0.1                 |
| Deferred portion other income taxes ..... | <u>0.5</u>                    | <u>—</u>            |
| <b>Deferred tax expenses</b> .....        | <u>2.1</u>                    | <u>5.2</u>          |
| <b>Total</b> .....                        | <b><u>(20.9)</u></b>          | <b><u>(7.6)</u></b> |

In 2014, the effective tax rate was 36.4%, compared to a blended Group tax rate of 25.9%. The higher effective tax rate is mainly explained by non-deductible transaction costs in the Netherlands, non-deductible interest expenses in France and Finland and non-deductible operational costs in all jurisdictions. Furthermore, the higher effective tax rate is the result of the rate change impact in Spain and the UK, the derecognition of recognized deferred tax assets on losses in Poland and other taxes to be paid in France and Italy. Finally, notional interest deduction in Belgium and investment allowances in several jurisdictions have a positive impact on the effective tax rate.

#### **Year 2013 Compared to Year 2012**

##### *Revenue and volume*

The following table sets forth Refresco Gerber's revenue and volumes by country/region of production for the periods indicated.

|                                | <b>Year ended 31 December</b> |                       |
|--------------------------------|-------------------------------|-----------------------|
|                                | <b>2013</b>                   | <b>2012</b>           |
|                                | <i>(audited)</i>              | <i>(audited)</i>      |
| <b>Revenue (EUR millions)</b>  |                               |                       |
| Benelux .....                  | 472.9                         | 467.2                 |
| Germany .....                  | 346.4                         | 337.0                 |
| France .....                   | 260.4                         | 246.0                 |
| UK .....                       | 92.2                          | 53.3                  |
| Iberia .....                   | 148.3                         | 179.6                 |
| Italy .....                    | 150.5                         | 153.0                 |
| North East Europe .....        | <u>116.9</u>                  | <u>102.2</u>          |
| <b>Total</b> .....             | <b><u>1,587.6</u></b>         | <b><u>1,538.3</u></b> |
|                                | <i>(unaudited)</i>            | <i>(unaudited)</i>    |
| <b>Volume (million litres)</b> |                               |                       |
| Benelux .....                  | 1,129.4                       | 1,079.8               |
| Germany .....                  | 1,153.6                       | 1,138.9               |
| France .....                   | 750.5                         | 757.2                 |
| UK .....                       | 153.0                         | 83.6                  |
| Iberia .....                   | 497.5                         | 572.8                 |
| Italy .....                    | 822.0                         | 830.8                 |
| North East Europe .....        | <u>548.0</u>                  | <u>480.8</u>          |
| <b>Total</b> .....             | <b><u>5,054.0</u></b>         | <b><u>4,943.9</u></b> |

Revenue increased by 3.2% from EUR1,538.3 million in 2012 to EUR1,587.6 million in 2013. Gerber contributed EUR73.4 million to the 2013 revenue over the period from completion of the combination on 11 November 2013 until year-end. Without this contribution, revenue would have dropped by 1.6% to EUR1,514.2 million, mainly due to the weak economic climate.

Volume totalled 5,054.0 million litres in 2013, an increase of 2.2% on 2012. The increase was fully related to the combination with Gerber. Without the combination with Gerber, volume in 2013 would have dropped 0.8%, mainly due to the weak economic climate, especially in Iberia, and the stabilisation of private label market growth. Volumes still outperformed the western European market which declined by 1.3%<sup>12</sup>

Soft drinks market volumes continued to come under pressure throughout 2013 as the economic downturn in Europe persisted. Southern European countries were particularly affected. The Company recorded a significant volume and revenue loss in Iberia due to the tough local market conditions and competition. Governmental austerity measures, such as increases in taxes, also negatively impacted overall soft drinks volumes in Europe.

The combination of the Company's business with the business of Gerber on 11 November 2013 also explains the differences in volume and revenue growth between the various locations. Gerber's largest operation was in the UK, where approximately 58% of its sales were generated, the second largest operation was Germany with approximately 25% of sales, and France and Poland accounted for the remainder.

The following table sets forth Refresco Gerber's revenue and volume, split between private label and co-packing, for the periods indicated.

|                                        | <b>Year ended 31 December</b> |                       |
|----------------------------------------|-------------------------------|-----------------------|
|                                        | <b>2013</b>                   | <b>2012</b>           |
|                                        | <i>(audited)</i>              | <i>(audited)</i>      |
| <b>Revenue (EUR millions)</b>          |                               |                       |
| Private label and own brands . . . . . | 1,314.2                       | 1,276.2               |
| Co-packing . . . . .                   | 273.4                         | 262.1                 |
| <b>Total . . . . .</b>                 | <b><u>1,587.6</u></b>         | <b><u>1,538.3</u></b> |
|                                        | <i>(unaudited)</i>            | <i>(unaudited)</i>    |
| <b>Volume (million litres)</b>         |                               |                       |
| Private label and own brands . . . . . | 4,180.1                       | 4,121.1               |
| Co-packing . . . . .                   | 873.9                         | 822.9                 |
| <b>Total . . . . .</b>                 | <b><u>5,054.0</u></b>         | <b><u>4,943.9</u></b> |

Co-packing revenue increased by 4.3%, while private label enjoyed somewhat lower revenue growth of 3.0%. The difference in growth is mainly due to Gerber contributing relatively more co-packing revenue than private label. This also explains the difference in volume growth.

The following table sets forth Refresco Gerber's revenue and volume per product for the periods indicated.

|                                       | <b>Year ended 31 December</b> |                       |
|---------------------------------------|-------------------------------|-----------------------|
|                                       | <b>2013</b>                   | <b>2012</b>           |
|                                       | <i>(unaudited)</i>            | <i>(unaudited)</i>    |
| <b>Revenue (EUR millions)</b>         |                               |                       |
| Fruit juices . . . . .                | 563.1                         | 496.1                 |
| Carbonated soft drinks . . . . .      | 410.4                         | 402.3                 |
| Functional and still drinks . . . . . | 346.3                         | 383.1                 |
| Energy drinks and others . . . . .    | 139.1                         | 130.3                 |
| Waters . . . . .                      | 128.7                         | 126.6                 |
| <b>Total . . . . .</b>                | <b><u>1,587.6</u></b>         | <b><u>1,538.3</u></b> |

<sup>12</sup> Source: Canadian Quarterly Beverage Tracker, Fourth Quarter 2013

|                                   | <b>Year ended 31 December</b> |                |
|-----------------------------------|-------------------------------|----------------|
|                                   | <b>2013</b>                   | <b>2012</b>    |
|                                   | (unaudited)                   | (unaudited)    |
| <b>Volume (million litres)</b>    |                               |                |
| Fruit juices .....                | 975.5                         | 859.9          |
| Carbonated soft drinks .....      | 1,587.6                       | 1,566.8        |
| Functional and still drinks ..... | 1,001.6                       | 1,121.4        |
| Energy drinks and others .....    | 231.6                         | 187.4          |
| Waters .....                      | 1,257.7                       | 1,208.5        |
| <b>Total .....</b>                | <b>5,054.0</b>                | <b>4,943.9</b> |

The most significant decrease in volumes and revenues occurred in the consumption of functional and still drinks which management believes was driven by higher shelf-prices and the decline in end-consumer income.

The following table sets forth Refresco Gerber's revenue and volume per packaging type for the periods indicated.

|                                | <b>Year ended 31 December</b> |                |
|--------------------------------|-------------------------------|----------------|
|                                | <b>2013</b>                   | <b>2012</b>    |
|                                | (unaudited)                   | (unaudited)    |
| <b>Revenue (EUR millions)</b>  |                               |                |
| PET .....                      | 433.9                         | 433.4          |
| A-PET .....                    | 408.3                         | 393.5          |
| Cartons .....                  | 444.0                         | 441.0          |
| Cans .....                     | 237.6                         | 227.9          |
| Other .....                    | 63.7                          | 42.5           |
| <b>Total .....</b>             | <b>1,587.6</b>                | <b>1,538.3</b> |
|                                | (unaudited)                   | (unaudited)    |
| <b>Volume (million litres)</b> |                               |                |
| PET .....                      | 2,568.8                       | 2,545.4        |
| A-PET .....                    | 1,004.2                       | 954.5          |
| Cartons .....                  | 878.7                         | 902.2          |
| Cans .....                     | 506.7                         | 446.9          |
| Other .....                    | 95.6                          | 95.0           |
| <b>Total .....</b>             | <b>5,054.0</b>                | <b>4,943.9</b> |

Revenue from A-PET packaged products increased 3.8% from EUR393.5 million in 2012 to EUR408.3 million in 2013, due to the combination with Gerber as well as strong market demand. Cartons volumes declined 2.6% from 902.2 million litres in 2012 to 878.7 million litres in 2013, and cartons revenues remained nearly flat in the same period. While the Gerber combination caused an increase in cartons revenue, the increase was largely offset by a general market decline for this product.

Cans revenues increased 4.3% from EUR227.9 million in 2012 to EUR237.6 million in 2013, in line with a volume growth of 13.4% in the same period, due to a new A-brand customer (Monster) as well as a growth in energy drinks packaged in cans.

#### *Raw materials and consumables used*

The following table sets forth Refresco Gerber's raw materials and consumables used for the periods indicated.

|                                                                 | <b>Year ended 31 December</b> |              |
|-----------------------------------------------------------------|-------------------------------|--------------|
|                                                                 | <b>2013</b>                   | <b>2012</b>  |
|                                                                 | (audited)                     | (audited)    |
| <i>(EUR millions)</i>                                           |                               |              |
| <b>Raw materials and consumables used</b>                       |                               |              |
| Raw materials and consumables .....                             | 513.3                         | 480.6        |
| Packaging materials .....                                       | 445.0                         | 460.5        |
| Product tax .....                                               | 13.5                          | 17.9         |
| <b>Total .....</b>                                              | <b>971.8</b>                  | <b>959.0</b> |
| <b>Gross profit margin per litre (eurocents, unaudited) ...</b> | <b>12.2</b>                   | <b>11.7</b>  |



In 2013, raw materials and consumables used remained relatively stable compared to the increase in volume, due to decreasing prices. The softening of the raw materials and packaging materials prices was driven by weakening demand but also by most of the global fruit crops harvests returning to normal, which stabilised, and in some cases decreased, the prices of key raw materials. Sugar and aluminium prices started to decline during the last quarter of 2013.

The gross profit margin per litre increased from 11.7 eurocents in 2012 to 12.2 eurocents in 2013. The increase was attributable to the Company's strategy of focusing on higher margin volumes combined with more favourable input costs.

#### *Employee benefits expenses*

The following table sets forth the employee benefits expenses for the periods indicated.

|                                                             | <b>Year ended 31 December</b> |                  |
|-------------------------------------------------------------|-------------------------------|------------------|
|                                                             | <b>2013</b>                   | <b>2012</b>      |
| <i>(EUR millions)</i>                                       | <i>(audited)</i>              | <i>(audited)</i> |
| <b>Employee benefits expenses</b>                           |                               |                  |
| Wages and salaries .....                                    | 139.4                         | 116.3            |
| Compulsory social security contributions .....              | 30.0                          | 28.8             |
| Pension contributions to defined contribution schemes ..... | 1.9                           | 1.8              |
| Pension costs of defined benefit schemes .....              | 2.6                           | 3.4              |
| <b>Total</b> .....                                          | <b>173.9</b>                  | <b>150.3</b>     |

Employee benefits expenses totalled EUR173.9 million, an increase of 15.7% compared to EUR150.3 million in 2012. The increase was primarily attributable to an increased headcount arising from the combination with Gerber, costs related to the announced closings of the Heerlen manufacturing site in the Netherlands and the Durham manufacturing site in the UK, as well as restructuring costs related to the announced closings of regional head offices. During 2013, the average number of employees (in full-time equivalents) was 3,229 compared to an average of 3,074 in 2012.

#### *Depreciation, amortisation and impairments*

The following table sets forth Refresco Gerber's depreciation, amortisation and impairments for the periods indicated.

|                                                     | <b>Year ended 31 December</b> |                  |
|-----------------------------------------------------|-------------------------------|------------------|
|                                                     | <b>2013</b>                   | <b>2012</b>      |
| <i>(EUR millions)</i>                               | <i>(audited)</i>              | <i>(audited)</i> |
| <b>Depreciation, amortisation and impairments</b>   |                               |                  |
| Depreciation of property, plant and equipment ..... | 76.5                          | 62.1             |
| Amortisation of intangible assets .....             | 3.9                           | 3.8              |
| Impairments on tangible fixed assets .....          | —                             | 5.0              |
| Impairments on intangible assets .....              | 5.9                           | 2.5              |
| <b>Total</b> .....                                  | <b>86.3</b>                   | <b>73.4</b>      |

Depreciation, amortisation, and impairment expenses totalled EUR86.3 million in 2013 compared to EUR73.4 million in 2012. Accelerated depreciation amounted to EUR14.1 million, arising largely from the announced closures of the Heerlen and Durham manufacturing sites.

### Other operating expenses

The following table sets forth Refresco Gerber's other operating expenses for the periods indicated.

|                                              | Year ended 31 December |              |
|----------------------------------------------|------------------------|--------------|
|                                              | 2013                   | 2012         |
| (EUR millions)                               | (audited)              | (audited)    |
| <b>Other operating expenses</b>              |                        |              |
| Freight charges                              | 74.2                   | 75.4         |
| Other cost of sales, including excise duties | 55.2                   | 60.3         |
| Promotion costs                              | 3.3                    | 2.3          |
| Temporary staff                              | 12.5                   | 13.2         |
| Other personnel costs                        | 9.6                    | 9.1          |
| Rent and leasing of machinery and equipment  | 19.6                   | 18.0         |
| Maintenance                                  | 35.1                   | 30.3         |
| Energy                                       | 40.1                   | 38.9         |
| Advice and legal costs                       | 13.3                   | 7.6          |
| Housing costs, including rental of buildings | 13.8                   | 11.6         |
| Storage costs                                | 18.4                   | 21.2         |
| Other operating costs                        | 36.4                   | 32.0         |
| <b>Total</b>                                 | <b>331.5</b>           | <b>319.9</b> |

Excluding the effects of accelerated depreciation and other exceptional costs related to the combination with Gerber and Gerber's seven weeks of the year, operating costs in 2013 fell by EUR4.0 million compared to 2012. This is mainly the result of full year effects of costs savings related to restructurings in Iberia and Italy initiated in 2012.

### Net finance costs

The following table sets forth Refresco Gerber's net finance costs for the periods indicated.

|                                                                         | Year ended 31 December |               |
|-------------------------------------------------------------------------|------------------------|---------------|
|                                                                         | 2013                   | 2012          |
| (EUR millions)                                                          | (audited)              | (audited)     |
| <b>Net finance cost</b>                                                 |                        |               |
| Interest income                                                         | 0.3                    | 0.6           |
| Interest expense on financial liabilities measured at<br>amortised cost | (46.8)                 | (49.7)        |
| Cost of borrowings                                                      | (1.7)                  | (1.7)         |
| Change in fair value of derivatives recognised in profit<br>and loss    | 2.6                    | 3.0           |
| <b>Total</b>                                                            | <b>(45.6)</b>          | <b>(47.8)</b> |

The decrease in interest expense of EUR2.9 million was attributable to lower EURIBOR in 2013 compared to 2012. The change in fair value was attributable to the phasing out of interest rate swaps related to former financing.

### Income tax (expense)/benefit

The following table sets forth Refresco Gerber's income tax (expense)/benefit for the periods indicated.

| (EUR millions)                                     | Year ended 31 December |                   |
|----------------------------------------------------|------------------------|-------------------|
|                                                    | 2013<br>(audited)      | 2012<br>(audited) |
| <b>Income tax (expense)/benefit</b>                |                        |                   |
| Current income tax                                 | (11.7)                 | (11.1)            |
| Current income tax previous years                  | —                      | (0.7)             |
| Other taxes                                        | (1.1)                  | (1.5)             |
| <b>Current tax expense</b>                         | <b>(12.8)</b>          | <b>(13.3)</b>     |
| Reversal of temporary differences                  | 11.5                   | 8.9               |
| Change in tax rate                                 | 0.4                    | —                 |
| (De)recognition (un)recognised deferred tax assets | (6.8)                  | (2.2)             |
| Prior period taxes                                 | 0.1                    | 0.8               |
| <b>Deferred tax expenses</b>                       | <b>5.2</b>             | <b>7.5</b>        |
| <b>Total</b>                                       | <b>(7.6)</b>           | <b>(5.8)</b>      |

The effective tax rate in 2013 was 35.9% negative, compared to a blended Group tax rate of 11.4%. The negative effective tax rate is mainly due to the de-recognition of recognised deferred tax assets on losses in Germany. This was a one-off event triggered by the combination with Gerber, causing a partial loss forfeiture. In addition, the loss for the year in the UK was not recognised. Furthermore, non-deductible goodwill impairment incurred in Finland, non-deductible merger costs in the Netherlands, non-deductible interest in France and non-deductible operational expenses in several jurisdictions impacted the effective tax rate negatively. Other taxes such as contribution for enterprise added value (CVAE) and annual flat-rate tax (IFA) in France and regional tax on productive activities (IRAP) in Italy also had a negative impact on the effective tax rate. Finally, the change in tax rates for Finland and the UK, notional interest deduction in Belgium, investment allowances in several jurisdictions and adjustments to over provisions of the tax accruals for prior years had a positive impact on the effective tax rate.

### Non-IFRS Financial Measures: EBITDA and Adjusted EBITDA

Refresco Gerber uses several key financial measures, including EBITDA and Adjusted EBITDA, to track the performance of its business. None of these terms are a measure of financial performance under IFRS, nor have these measures been reviewed by an outside auditor, consultant or expert. As these terms are defined by the Company's management, they may not be comparable to similar terms used by other companies. Please see "Important Information – Presentation of Financial and Other Information – Non-IFRS Financial Measures" for their definitions.

The following table sets forth EBITDA and Adjusted EBITDA for the periods indicated, as well as a reconciliation to operating profit.

| (EUR millions)                                  | Year ended 31 December |                     |                     |
|-------------------------------------------------|------------------------|---------------------|---------------------|
|                                                 | 2014<br>(unaudited)    | 2013<br>(unaudited) | 2012<br>(unaudited) |
| <b>Operating profit</b>                         | 106.8                  | 24.4                | 36.2                |
| Depreciation, amortisation and impairment costs | 87.8                   | 86.3                | 73.4                |
| <b>EBITDA</b>                                   | <b>194.6</b>           | <b>110.7</b>        | <b>109.6</b>        |
| Acquisition/merger costs                        | 3.3                    | 9.4                 | 2.2                 |
| Costs refinancing                               | —                      | —                   | 0.3                 |
| Fair value adjustment inventory                 | —                      | 5.0                 | —                   |
| Restructuring costs                             | 4.5                    | 14.2                | 4.4                 |
| Other one-off costs                             | 5.8                    | 0.4                 | —                   |
| <b>Adjusted EBITDA</b>                          | <b>208.2</b>           | <b>139.7</b>        | <b>116.5</b>        |

In 2014, Adjusted EBITDA increased 49.0% from EUR139.7 million in 2013 to EUR208.2 million in 2014, attributable to the full year effects of the combination with Gerber and ensuing synergies, an increase of

co-packing revenue, a strategic choice to selectively balance volume and margin by focusing on more profitable volumes, and a shift in product mix towards fruit juices arising from the combination with Gerber, as well as lower raw materials prices.

The acquisition and other costs incurred of approximately EUR9.1 million in 2014 consisted of costs related to the combination with Gerber as well as the costs of preparing the Offering or trade sale in 2015. The restructuring costs of EUR4.5 million related to facilities in Germany (Calvoerde), France and Italy (Sant Andrea).

In 2013 Adjusted EBITDA was EUR139.7 million, compared to EUR116.5 million in 2012, reflecting the higher gross profit margins and cost savings achieved. The increase in acquisition costs were largely due to advisory costs related to the combination with Gerber.

The restructuring costs for 2013 included EUR4.0 million related to the announced closing of the manufacturing site in Heerlen, the Netherlands and the closing of a production line in Erftstadt, Germany. Other restructuring costs in 2013 were incurred through the closure of the manufacturing site in Durham, UK and the integration of local organisations in the UK, Germany and France.

### Liquidity and Capital Resources

Refresco Gerber's principal sources of liquidity historically have been net cash provided by operating activities and borrowings. The principal uses of cash have been to finance working capital, capital expenditures, debt service, investments and acquisitions. As of 31 December 2014, Refresco Gerber had cash and cash equivalents (after deduction of bank overdrafts) totalling EUR96.6 million. It is Refresco Gerber's treasury's policy to use borrowings from time to time when it can do so at a cost that is lower than the return on long-term (longer than three months) bank deposits.

Refresco Gerber believes that the working capital available to it is sufficient for at least the next 12 months following the date of this Prospectus.

### Cash Flow

The following table shows Refresco Gerber's cash flow for the periods under review.

|                                                                   | Year ended 31 December |              |             |
|-------------------------------------------------------------------|------------------------|--------------|-------------|
|                                                                   | 2014                   | 2013         | 2012        |
| (EUR millions)                                                    | (audited)              | (audited)    | (audited)   |
| <b>Consolidated cash flow data</b>                                |                        |              |             |
| Net cash generated from operating activities . . . . .            | 156.1                  | 70.1         | 49.6        |
| Net cash (used in) investing and acquisition activities . . . . . | (38.6)                 | (174.6)      | (43.8)      |
| Net cash (used in) / from financing activities . . . . .          | (106.3)                | 95.5         | (2.8)       |
| Translation adjustment . . . . .                                  | (0.2)                  | (0.8)        | 2.7         |
| <b>Movement in cash and cash equivalents . . . . .</b>            | <b>11.0</b>            | <b>(9.8)</b> | <b>5.7</b>  |
| <b>Cash and cash equivalents as at 31 December . . . . .</b>      | <b>96.6</b>            | <b>85.6</b>  | <b>95.3</b> |

#### Net cash generated from operating activities

In 2014, Refresco Gerber's net cash generated from operating activities was EUR156.1 million, consisting of (i) EUR186.9 million of cash flows from operating activities before changes in working capital (of which EUR87.8 million was for amortisation, depreciation and impairments), (ii) a EUR28.1 million decrease in working capital, which was offset by EUR47.9 million net amount of interest paid and (iii) EUR11.0 million income taxes paid.

In 2013, Refresco Gerber's net cash generated from operating activities was EUR70.1 million, consisting of (i) EUR119.9 million of cash flows from operating activities before changes in working capital (of which EUR86.3 million was for amortisation, depreciation and impairments) and (ii) a EUR13.1 million decrease in working capital, which was offset by EUR46.5 million net amount of interest paid and (iii) EUR16.4 million income taxes paid.

In 2012, Refresco Gerber's net cash generated from operating activities was EUR49.6 million, consisting of (i) EUR109.5 million of cash flows from operating activities before changes in working capital (of which

EUR73.4 million was for amortisation, depreciation and impairments), (ii) EUR0.1 million change in working capital, which was offset by EUR50.1 million net amount of interest paid and (iii) EUR9.9 million income taxes paid.

#### *Net cash used in investing and acquisition activities*

In 2014, Refresco Gerber's net cash used in investing and acquisition activities was EUR38.6 million, consisting of EUR59.1 million in purchases of property, plant and equipment and EUR0.9 million in purchases of intangible assets which was offset by EUR21.4 million of proceeds from the sale of other investments and property, plant and equipment.

In 2013, Refresco Gerber's net cash used in investing and acquisition activities was EUR174.6 million, consisting of EUR47.3 million in purchases of property, plant and equipment, EUR0.4 million in purchases of intangible assets, EUR126.0 million for the combination with Gerber (net of cash acquired), and EUR2.1 million of loans granted outside the group, which was offset by EUR1.5 million of proceeds from the sale of other investments and property, plant and equipment.

In 2012, Refresco Gerber's net cash used in investing and acquisition activities was EUR43.8 million, consisting of EUR42.9 million in purchases of property, plant and equipment, EUR0.6 million in purchases of intangible assets, EUR0.2 million of purchase of other investments, EUR6.0 million for the acquisition of a subsidiary (net of cash acquired), which was offset by EUR5.9 million of proceeds from the sale of property, plant and equipment.

#### *Net cash (used in)/generated from financing activities*

In 2014, Refresco Gerber's net cash used in financing activities amounted to EUR106.3 million, consisting entirely of repayments of loans and borrowings.

In 2013, Refresco Gerber's net cash from financing activities amounted to EUR95.5 million, which was largely due to proceeds from loans and borrowings of EUR98.9 million, offset by EUR3.4 million of repayment of loans and borrowings.

In 2012, Refresco Gerber's net cash used in financing activities amounted to EUR2.8 million, consisting entirely of repayments of loans and borrowings.

#### ***Liabilities and Indebtedness***

Refresco Gerber's outstanding indebtedness primarily consists of financial debt incurred in borrowing money. As of 31 December 2014, loans and borrowings (including finance lease obligations) amounted to EUR684.2 million, as shown in the table below.

#### **Loans and borrowings**

(EUR millions)

|                                 |              |
|---------------------------------|--------------|
| Notes issued                    |              |
| Floating rate .....             | 297.4        |
| Fixed rate .....                | 356.8        |
| <b>Total notes issued .....</b> | <b>654.2</b> |
| Revolving credit facility ..... | (1.1)        |
| Mortgage loan .....             | 30.3         |
| Finance lease liabilities ..... | 0.8          |
| <b>Total .....</b>              | <b>684.2</b> |

#### *Notes*

On 16 May 2011 the Company issued the Fixed Rate Notes with EUR360 million in aggregate principal amount and the Floating Rate Notes with EUR300 million in aggregate principal amount. The Fixed Rate Notes accrue interest at the rate of 7.375% per annum. The Floating Rate Notes accrue interest at the rate of 3 month EURIBOR plus 400bps per annum. The Notes will mature on 15 May 2018. The Notes are listed on the Luxembourg Stock Exchange and have been admitted to trading on the Euro MTF market.

The Notes are guaranteed on a senior secured basis by certain subsidiaries of the Company and secured by, among other things, collateral over the shares of certain subsidiaries of the Company, certain bank account receivables, accounts receivables, moveable assets, contract receivables, insurance receivables and certain specific property, plant and equipment.

The Notes were issued pursuant to a New York law governed indenture dated 16 May 2011 among the Company (as issuer), certain subsidiaries of the Company (as guarantors), Deutsche Trustee Company Limited (as trustee), Deutsche Bank AG, London Branch (as security agent, transfer agent and principal paying agent) and Deutsche Bank Luxembourg S.A. (as registrar) (the “**Indenture**”).

If the Company experiences a change of control trigger event (as defined in the Indenture), it will be required to offer to repurchase the Notes at 101% of their aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase.

The Company may redeem all or part of the Notes at any time at the redemption prices set forth in the Indenture (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any. The redemption price for the Fixed Rate Notes is 105.5313% (if redeemed during the twelve-month period beginning on 15 May 2014), 103.6875% (if redeemed during the twelve-month period beginning on 15 May 2015), 101.8438% (if redeemed during the twelve-month period beginning on 15 May 2016) and 100.0000% (if redeemed during the twelve-month period beginning on May 15, 2017). The redemption price for the Floating Rate Notes is 100.0000%.

The Indenture contains customary covenants that restrict the ability of the Company and its restricted subsidiaries to incur additional indebtedness or issue preferred shares; pay dividends, purchase equity interests of the Company or any parent, make a payment on or purchase debt that is contractually subordinated to the Notes, make a cash payment on or purchase subordinated shareholder debt or make restricted investments; create or permit to exist certain liens; impose restrictions on the ability of subsidiaries to pay dividends or other payments to the Company; transfer, lease or sell certain assets; with respect to the Company and its guarantors, merge or consolidate with other entities; enter into certain transactions with affiliates; designate restricted and unrestricted subsidiaries; provide guarantees of other debt; and impair the security interests for the holders of the Notes. Each of the covenants is subject to a number of exceptions and qualifications.

The Indenture also contains customary events of default, which are subject to customary materiality and grace periods, including, among others, the non-payment of principal or interest on the Notes, certain failures to perform or observe other obligations under the Indenture, the occurrence of certain defaults under other indebtedness, failure to pay certain indebtedness, and insolvency and bankruptcy events.

#### *Revolving Credit Facility*

On 16 May 2011 the Company also entered into the EUR75 million Revolving Credit Facility. In connection with the combination with Gerber this facility was extended to EUR150 million with six European banks. The maturity date of the facility is 16 May 2017. The interest rate on cash advances under the Revolving Credit Facility will be the aggregate of the applicable margin, LIBOR/EURIBOR and mandatory costs (if any). The margin may range from 3.00% to 1.75% based on the ratio of total net debt to EBITDA and (in order to achieve a margin of 1.75%) an investment grade rating.

As at 31 December 2014, the amount outstanding of this facility was nil.

The English law governed Revolving Credit Facility contains customary affirmative, negative and financial covenants and certain of the incurrence covenants as apply to the Notes.

Under the Revolving Credit Facility, the Group is obliged to comply with the drawn super senior gross leverage ratio covenant. Under the drawn super senior gross leverage ratio covenant, the ratio of the Super Senior Liabilities to Adjusted EBITDA must not exceed 0.85 to 1 for each Relevant Period (each term as defined therein). This financial covenant is calculated and tested quarterly on a rolling twelve month basis by reference to the consolidated annual financial statements and the consolidated quarterly financial statements of the Group. The Company has the right to cure any breach of the drawn super senior gross leverage ratio covenant by receiving proceeds of any equity contribution and/or shareholder loan.



The Revolving Credit Facility contains customary events of default, which are subject to customary materiality and grace periods including: (i) failure to pay any sum when due subject to a three business day grace period for delays caused by technical or administrative error or a disruption event; (ii) breach of financial covenant, subject to Equity Cure (as defined herein); (iii) breach of covenants and other obligations (other than in (i) and (ii) above) subject to a 15 business day grace period if capable of remedy; (iv) representations or warranties found to be untrue or misleading when made or deemed repeated subject to a 15 business day remedy period if capable of remedy; (v) cross default subject to a EUR5 million threshold; (vi) insolvency; (vii) insolvency proceedings; (viii) creditors' process subject to a EUR2.5 million threshold; (ix) unlawfulness and invalidity; (x) cessation of business; (xi) audit qualification; (xii) expropriation; (xiii) repudiation and rescission; (xiv) litigation and (xv) material adverse change.

The Revolving Credit Facility is guaranteed by certain subsidiaries of the Company and is secured by collateral over the shares of certain subsidiaries of the Company, the majority of bank account receivables, receivables, moveable assets, contract receivables, insurance receivables and certain specific property, plant and equipment.

The mortgage loan was taken out by Gerber from HSBC Bank plc for construction of the production site in Bridgewater, UK. The mortgage stayed in place after the combination with Gerber. The real estate of the production site in Bridgewater is secured as collateral. The interest equals three months' LIBOR plus 0.75% plus additional regulatory cost rate. The final repayment date of the mortgage loan is 2036, but with current forward interest rates the mortgage will be repaid in 2028. The mortgage has been valued at amortised cost.

#### *Finance Lease Liabilities*

Finance lease liabilities relate mainly to a warehouse and an office building in France and materials handling equipment in the UK.

#### *Use of Proceeds and Refinancing*

Subject to the Offering, the Company will use the net proceeds of the sale of the New Offer Shares, and its cash reserves, to repay an amount of EUR100 million on its Floating Rate Notes. Pursuant to the Indenture, the Company may redeem the Floating Rate Notes at a redemption price (expressed as a percentage of principal amount) of 100% plus accrued and unpaid interest and additional amounts, if any, after giving not less than 30 and no more than 60-days' notice.

Subject to the Offering, the Company intends to repay the remaining outstanding Floating Rate Notes and all of the Fixed Rate Notes after 15 May 2015 when the redemption price of the Notes decreases from 105.5313% to 103.6875%.

The Company also intends to refinance the Revolving Credit Facility in the second quarter of 2015 after completion of the Offering. The Company believes it will be able to obtain new financing from a consortium of banks in the form of a term loan and revolving credit facility on terms more favourable than its current financing. The Company is also considering the benefit of a new corporate bond as an alternative.

Any surplus cash and the new revolving credit facility will be used for general corporate purposes such as to finance working capital, on-going investments, co-packing projects and/or smaller acquisitions.

#### *Working Capital*

Working capital is defined by the Company as total current assets excluding cash and cash equivalents, plus assets classified as held for sale, less total current liabilities excluding the current portion of loans and borrowings, less liabilities held for sale.

Refresco Gerber is subject to the seasonality of the soft drinks market which is closely related to weather conditions. As a result, working capital generally peaks in the summer period. In 2014, working capital decreased in the first quarter from EUR123.5 million to EUR106.8 million, then increased to EUR113.0 million in the second quarter, decreased to EUR61.6 million in the third quarter and decreased further to EUR55.8 million in the fourth quarter. Several factors caused working capital to decrease in 2014 compared to 2013, including significant working capital synergies following the combination with Gerber, for example, the alignment of payment terms. Moreover, continued phasing out of stockpiled raw materials and packaging in combination with improved inventory management systems had a positive effect on Refresco Gerber's working capital. Lastly, the sale of the Waibstadt facility as a competition-remedy for the combination with Gerber has also affected working capital levels.

In 2013, working capital totalled EUR123.5 million compared to EUR76.1 million in 2012, largely attributable to the combination with Gerber. Without the effects of the combination, working capital improved in 2013 by EUR7.6 million compared to 2012. Cash and cash equivalents totalled EUR85.6 million on 31 December 2013 compared to EUR95.3 million on 31 December 2012. The decrease relates to cash used for the combination with Gerber, partly compensated by higher cash flow from operating activities and lower working capital.

In 2012, working capital decreased from EUR91.8 million to EUR76.1 million, despite an increase in raw materials and packaging costs. The decrease is within normal seasonal working capital fluctuations.

### ***Capital Expenditure***

Capital expenditure in 2014 amounted to EUR82.9 million, mainly attributable to investments for integrating Gerber and Refresco. Capital expenditure in 2013 was EUR47.7 million, and in 2012 EUR43.5 million. In 2013 and 2012, capital expenditure was mainly spent on investments in new bottling lines and the transfer of capacity from closed production sites to other group-owned locations. In 2013, investments were made to upgrade the Erfstadt plant in Germany and in 2012, significant capital expenditures were made in Germany, Italy and Benelux, adding new bottling lines and replacing old lines.

### **Contractual Obligations and Commitments**

The Group leases office buildings, warehouses, machinery and equipment and cars. As of 31 December 2014, operating lease and rental obligations amounted to EUR112.5 million.

The Group's purchase and investment commitments as of 31 December 2014 amounted to EUR304.6 million of which purchase commitments of less than a year amounted to EUR304.6 million.

### **Off-Balance Sheet Arrangements**

Banks have issued guarantees to suppliers and customers on behalf of the Group in the aggregate amount of EUR4.4 million as of 31 December 2014.

### **Significant Accounting Policies**

Significant accounting policies are those that: (i) are relevant to the presentation of Refresco Gerber's financial condition and results of operations; and (ii) require the management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of uncertainties increases, those judgments become even more subjective and complex. In order to provide an understanding of how Refresco Gerber's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, Refresco Gerber has identified the significant accounting policies discussed below. While Refresco Gerber believes that all aspects of its financial statements should be studied and understood in assessing its current and expected financial condition and results of operations, it believes that the following significant accounting policies warrant particular attention. For more information, see note 2 to Refresco Gerber's audited consolidated financial statements for the year ended 31 December 2014 included in this Prospectus.

### ***Impairment of Goodwill***

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of an acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is recognised in the balance sheet under "intangible assets". Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate goodwill might be impaired, and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

The carrying amounts of non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets (the “**cash-generating units**”). For the purpose of impairment testing, the goodwill acquired in a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a *pro rata* basis.

## 10. INDUSTRY

*The information presented in this section is taken or derived from the sources identified in “Important 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 phrases such as “the Company believes”, “the Company expects”, “the Company 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.*

### **The Western European Off-Trade Soft Drinks Market**

#### **Overview**

The Company is active in the Western European market. Its key countries/regions are the Benelux<sup>13</sup>, Germany, France, UK, Iberia<sup>14</sup> and Italy which together constitute 93% of the Company’s revenue exposure, based on the Company’s 2014 revenue. In this section, the term “market” comprises those key countries/regions. The Company is also active in Poland and Finland.

Soft drinks are sold to end-consumers through two main channels: on-trade and off-trade. On-trade consists of sales through restaurants, bars, cafes, hotels and catering businesses. The on-trade channel sells primarily branded products. Off-trade consists of sales through retail outlets such as supermarkets, discounters, small grocers and other retail formats. The Company’s products are primarily sold through off-trade channels although some of the products that are produced for co-packing customers might be sold through on-trade channels. Given the significantly larger size of the off-trade market compared to the on-trade market and the Company’s strong focus on customers in the off-trade channel, only off-trade data will be referenced in this section.

In 2013, the total soft drinks market volume in the Company’s key countries/regions was approximately 71 billion litres in off-trade (branded and private label) sales and that market volume is expected to grow to approximately 72 billion litres by 2017.<sup>15</sup>

#### **Product Categories**

The soft drinks market can be divided into six main product categories.

##### *CSDs:*

Carbonated soft drinks or “CSDs”, are soft drinks into which carbon dioxide gas has been dissolved. CSDs exclude carbonated bottled water and still drinks such as ready-to-drink tea.

##### *Bottled water:*

Bottled water comprises still and sparkling bottled water, including flavoured and functional water. Flavoured water typically contains a very limited quantity<sup>16</sup> of fruit juice or essence. Functional water is water which has been fortified or enhanced with nutrients, vitamins, oxygen or herbs.

##### *Fruit and vegetable juice:*

Fruit and vegetable juice comprises juice not from concentrate, or NFC, and juice reconstituted from frozen concentrate, and nectars. Nectars are produced using a base of concentrated juice or a pasteurised purée of fruit pulp, to which sugar and water can be added, and contain 25% to 99% juice.

##### *Sports and energy drinks:*

Sports drinks (including isotonic, hypotonic and hypertonic sports drinks) usually depend on the provision of fluids, carbohydrates or both. Energy drinks are designed to boost energy levels and usually contain high levels of caffeine and taurine.

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<sup>13</sup> Comprising the Netherlands and Belgium.

<sup>14</sup> Comprising Portugal and Spain.

<sup>15</sup> Company Market Study.

<sup>16</sup> Amounting to approx. 1g per litre.

### *Still drinks:*

Still drinks comprise still juice drinks, juice flavoured drinks and ready-to-drink tea (incl. carbonated). Still juice drinks are made with fresh juice or concentrate and do not exceed a 24% juice content.

### *Dilutables:*

Dilutables comprise concentrates, syrups and squashes. They must be diluted with water before consumption.

The largest category is bottled water, which accounted for approximately 35.8% of the total retail sales volume in 2013, followed by CSDs and fruit and vegetable juice, with 19% and 6.3% of the total retail sales volume in 2013, respectively. Dairy is generally not considered a category of the soft drinks market.<sup>17</sup>

## **Key Trends**

### *Health and nutrition awareness*

End-consumer tendency in Western Europe towards healthier food and drinks has been a long-term trend. This trend drives new innovations and has caused an amalgamation of traditional segments, such as juices, into new concepts such as still drinks.

Growing concerns around lifestyle-related diseases, including the increasing incidence of obesity in Western Europe, has led to a heightened level of health consciousness among end-consumers. This consciousness is amplified by a growing number of programmes to raise end-consumer awareness. As a result, consumption preferences are shifting towards soft drinks with no preservatives, lower calories and lower sugar content.

End-consumers are also willing to pay for higher priced drinks that are perceived as fresher (such as freshly squeezed NFC juices) or that have additional nutritional benefits, for example, enriched nutritional drinks such as vitamin-enhanced waters. In addition, there is an increasing preference for natural/organic products. Bottled water is expected to outgrow the overall soft drinks market as it benefits from this increasing health awareness.

### *Time compression*

The convenience market is growing as end-consumers have increasingly busy lifestyles and consequently take less time for meals. Soft drinks are benefiting from this trend, both in volume and price per unit terms. Innovation into new product ranges and packaging formats to address the demand for convenience and portability, such as “on-the-go” packaging and single serve portions, is expected to continue to drive growth.

### *Budget constraints*

End-consumers in Europe have increasingly been looking for value-for-money product alternatives across the whole soft drinks spectrum. The more expensive categories of soft drinks have declined, although budget constraints are lifting as end-consumer confidence and incomes are rising.

### *Sustainability*

Environmental issues, such as climate change, carbon emissions and recycling, as well as other ethical issues, such as fair-trade and organic products, are gaining ground on the end-consumer agenda. Manufacturers of soft drinks are increasing product offerings under new more environment-friendly packaging formats and sustainable product labels.

## **Market Structure**

Soft drinks can be categorised as either private label or branded. Private label products are products which are sold by a retailer under its own brand name, such as “Aldi’s River Cola” sold by Aldi. Branded products are products sold under a brand name not related to the distribution channel, such as “Coca-Cola”. Unlike private label products, branded products are typically promoted through advertising and promotional campaigns to raise brand awareness and loyalty.

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<sup>17</sup> Company Market Study.

Branded products are, on average, positioned at a higher price point than private label products and capture a larger share of the off-trade market volume, accounting for 72%, or 51 billion litres, of off-trade retail sales in 2013<sup>18</sup>.

The soft drinks market structure comprises suppliers, manufacturers and customers.

| Suppliers                | Manufacturers | Customers       |
|--------------------------|---------------|-----------------|
| Raw materials suppliers: | Brand owners  | Supermarkets    |
| orange                   |               |                 |
| apple                    | Private label | Discounters     |
| carbohydrates            | manufacturers |                 |
| other                    |               | Other retailers |
| Packaging suppliers:     | Co-packing    | Brand owners    |
| PET                      | manufacturers |                 |
| LPB                      |               |                 |
| cans                     |               |                 |
| other                    |               |                 |

### ***Suppliers***

Suppliers provide the raw materials and packaging materials required to produce soft drinks products. The principal raw materials include water, fruit juices, fruit concentrates, aromas, sugar and sweeteners. The principal packaging materials include PET bottles, PET caps and pre-forms, aluminium and steel cans and tops, labels, cartons, glass, films, trays and pallets.

The supplier base for various raw materials and packaging materials (such as FCOJ and carton packaging) is relatively consolidated.

### ***Manufacturers***

Manufacturers of branded products produce soft drinks under their own brands and/or outsource production to third party bottlers. Manufacturers of private label products produce soft drinks for retailers but can also produce branded products under co-packing agreements with A-brand owners.

### ***Customers***

Supermarkets represent the largest retail format for the off-trade soft drinks market, with a volume share of 57% in 2014, followed by discounters and small grocery retailers with 25% and 18% share in 2014, respectively.<sup>19</sup>

Large pan-European supermarkets tend to look for larger private label manufacturers that can supply a variety of products in a number of European countries and scale their production depending on demand. This has been driven by industry consolidation and geographic expansion among supermarkets that are increasingly requiring their suppliers to have similar geographic span and production capabilities. Regional supermarkets tend to look for independent private label manufacturers with local production capacity and ability to meet their product requirements.

While brand owners manufacture the majority of branded products themselves, some brand owners outsource the production of their branded products to co-packing manufacturers. There are various reasons for this, such as outsourcing by larger groups of low volume brands that are too small to produce in-house, outsourcing by small brand owners that lack scale to produce in-house, and outsourcing of peak or contingency volumes. See “– Co-packing”.

<sup>18</sup> Company Market Study.

<sup>19</sup> Company Market Study.



## Private Label

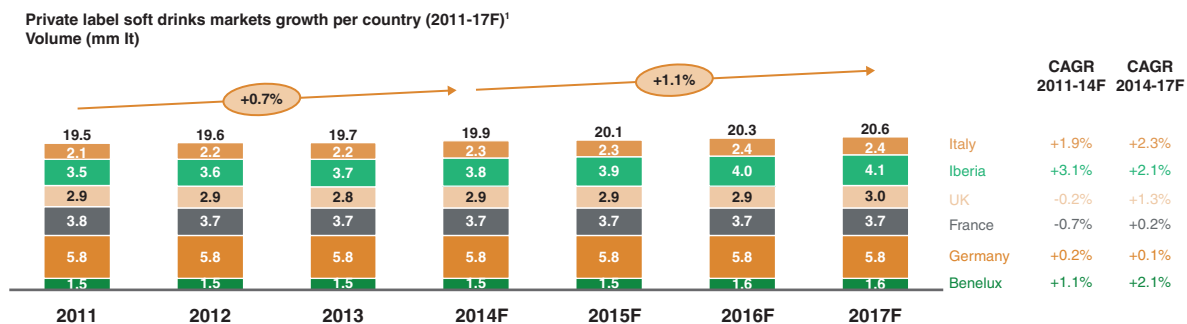
### Overview

Private label soft drinks is a large and well-established category in the key countries/regions, estimated at 20 billion litres in retail sales volume representing 28% of the total market in 2014.<sup>20</sup> Private label penetration (private label volume as a percentage of the total off-trade soft drinks market volume) has been highest in juices, dilutables and still drinks with lower penetration for water, CSD and sports and energy drinks.<sup>21</sup>

Private label products are becoming increasingly important for supermarkets as they expand private label shelf space due to the typically higher profitability of private label products for the retailer versus branded products. In addition, end-consumer acceptance of private label products as qualitatively similar alternatives to branded products is increasing and supermarkets are increasingly using their own brand products to enhance customer loyalty and differentiate themselves from key competitors. As a result, the private label market has experienced stronger growth than the overall soft drinks market between 2011 and 2014<sup>22</sup>, posting a compounded annual volume growth rate of 0.7% compared to a negative CAGR of 0.1% for the overall soft drinks market over the same period.<sup>23</sup> Average private label penetration of soft drinks has increased to approximately 28% in 2014<sup>24</sup>, up from 24% in 2004.

The growth of discounters that generally stock a larger proportion of private label products compared to supermarkets has also spurred growth in the private label segment. Discounters overall have continued to gain market share within retail and have increased their share from 17% in 2000 to 25% in 2014.<sup>25</sup>

Going forward, the private label market is expected to grow slightly faster with a compounded annual volume growth rate of 1.1% from 2013 to 2017<sup>26</sup>, driven by soft recovery of the total soft drinks market which is expected to grow by 0.3% per annum over the same period and continued progression of private label penetration.<sup>27</sup> Increasing penetration is expected to be mainly driven by dilutables, water and sports and energy drinks with private label penetration of juices slightly declining.<sup>28</sup>



Source: Company Market Study

<sup>1</sup> Off-trade volume only

<sup>20</sup> Company Market Study.

<sup>21</sup> Company Market Study.

<sup>22</sup> Company Market Study.

<sup>23</sup> Company Market Study.

<sup>24</sup> Company Market Study.

<sup>25</sup> Company Market Study

<sup>26</sup> Company Market Study.

<sup>27</sup> Company Market Study.

<sup>28</sup> Company Market Study.

## ***Key Trends***

As the key trends in the private label business differ for each of the Company's key countries/regions, those key trends are discussed separately below.

### *Benelux*

- (a) Discounters are expected to continue to grow their market share with the launch of new store formats and innovation in soft drinks categories and packaging types. However, the growth rate is expected to be lower than in the last few years.<sup>29</sup>
- (b) Supermarkets are expanding and re-launching private label product lines. Supermarkets in the Netherlands look to the Albert Heijn group's private label penetration as a benchmark and aim to grow their respective market shares accordingly. In addition, retailers have launched re-vamped lines, such as Albert Heijn's 'Basics' range, Superunie's OK€ range and Colruyt's Bon Selection line.
- (c) Brand promotions are expected to reduce in intensity.

### *Germany*

- (a) Discounters are expected to grow their market share with the launch of new store formats.
- (b) The Company expects that product categories with high private label penetration, such as juice, will continue to decline. However, the rate of decline is expected to be lower than in the past few years. Bottled water, which has a low private label penetration, is expected to grow.
- (c) Supermarkets are expected to continue to strive to increase sales of their private label products by increasing their private label assortment and increasing advertising for private label products.

### *France*

- (a) It is expected that there will be a further increase of large supermarkets at the expense of discounters.<sup>30</sup> This will have a negative impact on the private label market as discounters have higher private label penetrations.  
  
Discounters were increasing their market share until 2010, but have since suffered from an end-consumer trend towards higher-quality products. In addition, retailers have responded to end-consumer preferences and successfully parried the discounters' business model, for example by lowering the prices of high quality branded products.
- (b) Like-for-like private label penetration is expected to continue to be negatively affected<sup>31</sup>, mainly driven by a decrease of private label penetration at discounters. However, this is partly offset by large retailers which are expected to have a slight increase in private label penetration due to the launch of new premium private label products and the decline of brand promotions.

### *UK*

- (a) Discounters are expected to continue to gain market share and supermarkets are expected to lose market share.<sup>32</sup>
- (b) After declining since 2011, the highly penetrated category of juice has begun to stabilise, and the negative volume effect on private label product lines is expected to slow.
- (c) Like-for-like private label penetration is expected to slow its historic decline. The decline reflects private label product offering stagnation. However, with all players engaged in a price war, private label products offer a chance for increased margins and differentiation and are expected to resume priority status.

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<sup>29</sup> Company Market Study.

<sup>30</sup> Company Market Study.

<sup>31</sup> Company Market Study.

<sup>32</sup> Company Market Study.

### *Iberia*

- (a) The retailer mix is expected to shift away from supermarkets towards discounters (including full service retail chains with high private label shares such as Mercadona) convenience stores and smaller retailers.<sup>33</sup>
- (b) After 2008, private label market share grew due to the economic recession because it provided an attractive option for end-consumers with tight household budgets. This trend has not reversed during the economic recovery. In addition, retailers and discounters are expected to continue to address end-consumer preferences by expanding private label product ranges and improving the quality of the private label products.

### *Italy*

- (a) Discounters are expected to continue to grow their market share to the detriment of traditional retailers and convenience stores.<sup>34</sup> However, the growth rate is expected to be slightly lower than in the last few years.
- (b) The bottled water category (which has a low private label penetration compared to other soft drinks categories) is growing at a faster pace than other soft drinks categories. After 2008, private label market share grew due to the economic recession because it provided a less expensive alternative for end-consumers with tight household budgets. End-consumers now perceive private label as a viable option (i.e. a higher quality perception than before), fuelling expected future growth. In addition, supermarkets and discounters are expected to continue to address end-consumer preferences by expanding private label product ranges and improving the quality of the existing private label products.

### ***Competitive Landscape***<sup>35</sup>

|         | Key players<br>(other than the Company)                             | Company's<br>market share | Company rank |
|---------|---------------------------------------------------------------------|---------------------------|--------------|
| Benelux | United Soft Drinks<br>Top Bronnen<br>Roxane<br>Wesergold<br>Bavaria | 49%                       | #1           |
| Germany | Schaff Group<br>Hansa Heemann<br>Stute<br>Riha Wesergold<br>MEG     | 22%                       | #1           |
| France  | Fruits Delice<br>Antarctic<br>LSDH<br>Roxane                        | 15%                       | Top 3        |
| UK      | Princes<br>J Garcia Carrion<br>MM UK                                | 18%                       | Top 3        |
| Iberia  | AMC<br>JGC<br>Dafsa<br>Font Salem                                   | 14%                       | Top 3        |
| Italy   | La Doria<br>Norda<br>Fonte Ilaria<br>San Benedetto                  | 20%                       | #1           |

<sup>33</sup> Company Market Study.

<sup>34</sup> Company Market Study.

<sup>35</sup> Company Market Study.

## Co-packing

### Overview

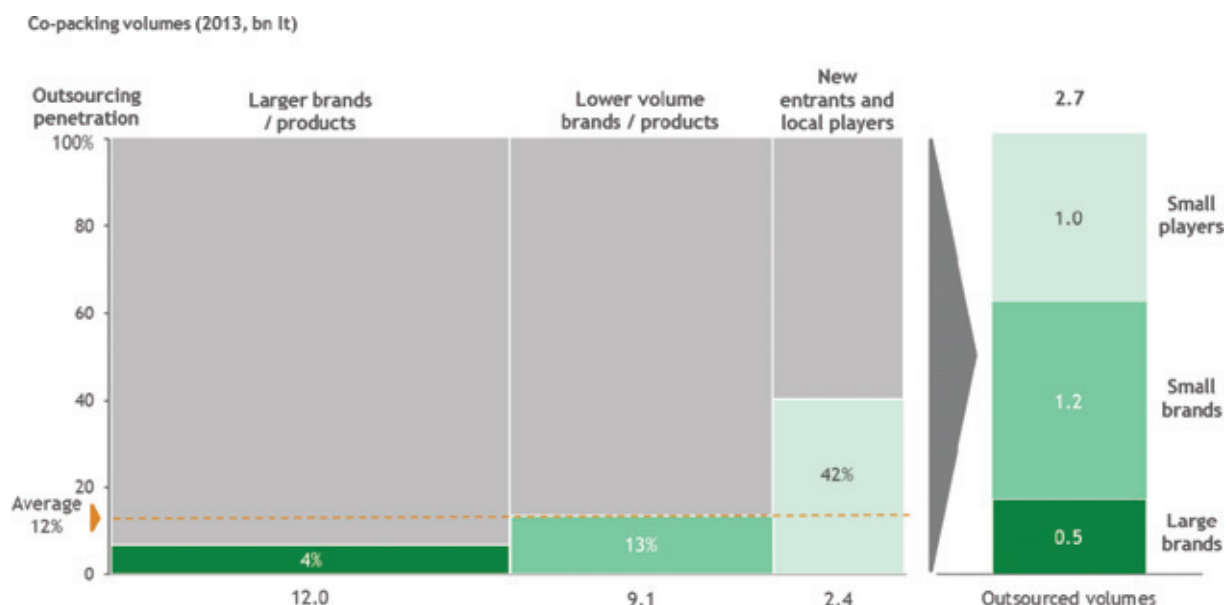
In 2013, the branded soft drinks market volume constituted 51 billion litres<sup>36</sup> of which the majority was manufactured by brand owners themselves. However, some brand owners outsource the production of their branded products. The co-packing market is the outsourced part of the branded soft drinks market.

Natural water is not suitable for outsourcing as natural water is usually bottled at the source (which is usually the key element of the brand proposition for a natural water brand) and therefore cannot be co-packed at a different location.

The branded soft drinks market (excluding water) can be divided into three segments, depending on the brand's local size and the profile of the brand owner:

- larger brands within large groups that can be bottled in-house efficiently for which brand owners usually outsource only a small part of production, linked to peak volumes or to maintain a back-up production solution;
- lower volume brands and newly launched brands within large groups that do not necessarily reach sufficient local scale to be bottled in-house efficiently; and
- new entrants and local players, including small local players with relatively limited volumes in each geography as well as new entrants that are part of large overseas groups, but still lacking scale in the local market.

In 2013, a volume of approximately 2.7 billion litres or 12% of the production of the total branded soft drinks market (excluding water) was outsourced and produced through co-packing<sup>37</sup>; this is expected to increase to approximately 3.8 billion litres or 16% in 2017 and to a volume of approximately 7.1 billion litres or 30% of the production of the total branded soft drinks market (excluding water) in 2024.<sup>38</sup> In 2013, penetration was estimated at approximately 4% for large brands within large groups, approximately 13% for lower volume brands within large groups, and approximately 42% for smaller local players.<sup>39</sup> By 2024, the Company expects that large brands within large groups will comprise approximately 1.1 billion litres, lower volume brands within large groups will comprise 4.3 billion litres, and smaller local players will comprise approximately 1.6 billion litres.



Source: Company Market Study.

<sup>36</sup> Company Market Study.

<sup>37</sup> Company Market Study.

<sup>38</sup> Company Market Study.

<sup>39</sup> Company Market Study.

### **Key trends**

Manufacturers of branded soft drinks have increasingly outsourced the production of some of their products. Reasons for outsourcing vary from providing for contingency volumes to enabling brand owners to focus resources on product development and advertising. This trend has been accelerating.

The branded product range is growing increasingly fragmented, as end-consumers look for more differentiated offerings, which results in more product and packaging innovations and a growing share of lower volume brands and product lines. As a result of increasing cost pressures (such as increasing costs in raw materials, packaging materials and energy), the manufacturers of branded soft drinks must manage their cost base proactively. In addition, demand for branded soft drinks is flat, partly due to the share gain of private label products, which puts additional pressure on efficiency gains. As a result, manufacturers of branded soft drinks are expected to increasingly outsource part of their production to third party bottlers, to ensure manufacturing efficiency and enable capital allocation towards marketing and sales activities.

When outsourcing, brand owners typically look for manufacturers with high quality standards, sufficient scale and geographic scope who can provide production flexibility and reliability and meet their requirements in a multitude of markets.

It is expected that the volume of co-packing as part of the soft drinks off-trade volume (excluding water) will increase from 12% in 2013 to 16% in 2017 with volumes increasing from approx. 2.7 billion litres in 2013 to approx. 3.8 billion litres in 2017<sup>40</sup>, implying compounded growth of approximately 9% per annum.<sup>41</sup> This increase is expected to be mainly driven by outsourcing of lower volume brands that are part of large groups. The Company expects that the volume of co-packing will increase to 7.1 billion litres by 2024<sup>42</sup>.

### **Competitive Landscape**

The Company competes directly with other manufacturers of private label products and co-packing for branded products. In its key markets, the Company has a leading market share with approximately 36% of the total co-packing market.<sup>43</sup> The Company also faces competition from small regional manufacturers and competes indirectly with soft drinks brand owners.

#### **Co-packing off-trade volume in six key countries/regions (Benelux, Germany, France, UK, Iberia, Italy)<sup>44</sup>**

| Key players     | Market share | Rank |
|-----------------|--------------|------|
| Refresco Gerber | c.36%        | #1   |
| San Benedetto   | c.10%        | #2   |
| Rauch           | c.7%         | #3   |
| DIS             | c.6%         | #4   |
| AG Barr         | c.6%         | #5   |
| Cott            | c.5%         | #6   |

Source: Company Market Study.

<sup>40</sup> Company Market Study.

<sup>41</sup> Company Market Study.

<sup>42</sup> Company Market Study.

<sup>43</sup> Company Market Study.

<sup>44</sup> Excludes water given water is typically bottled at the source and hence not a real candidate for outsourced bottling.

## 11. BUSINESS

### Overview

The Company is the leading manufacturer of private label soft drinks for retailers in Europe in terms of volume. In Europe, it is also the leading co-packing manufacturer of soft drinks for A-brand owners in terms of volume. The Company also manufactures and sells speciality soft drinks products on a small scale under its own brands.

The Company has operations in the Western European market. Its key countries/regions are the Benelux (the Netherlands and Belgium), Germany, France, the UK, Iberia (Spain and Portugal) and Italy. The Company also has operations in Poland and Finland. The Company operates 27 production facilities across nine countries with a total of 159 production lines.

The Company manufactures a broad portfolio of products for its private label and co-packing customers. The Company's portfolio comprises CSDs, bottled water, fruit and vegetable juice, sports and energy drinks, still drinks (including ready-to-drink tea) and dilutables. The Company offers a range of packaging types and sizes.

Since 1999, the Company has acquired and consolidated 15 companies, some of which have a long history in soft drinks manufacturing dating back to the mid-nineteenth century. In 2012, the Company acquired Taja, a Polish private label manufacturer of CSD and bottled water. In 2013, the Company combined its business with Gerber by way of an issuance of new shares against contribution in kind. At the time of the combination, the Company was also renamed from Refresco Group B.V. into Refresco Gerber B.V.

In 2014, the Group sold approximately 6.0 billion litres of soft drinks. The Group's consolidated revenue for the year ended 31 December 2014 was approximately EUR2,037 million.

### History and Development

The Company was formed in 1999 following the management buy-out of Menken Drinks B.V. (the Netherlands) and Refrescos de Sur Europa S.A. (Spain). Prior to the management buy-out, the businesses were part of Menken Holding B.V., which was jointly owned by the Menken family and Dutch dairy company, Campina Nederland B.V. Since 1999, the Company has expanded its operations through a combination of organic growth and a "buy-and-build" strategy, acquiring regional soft drinks manufacturers throughout Europe. As a result, the Company moved from being a local juice manufacturer into a pan-European soft drinks manufacturer.

| Year | Business acquired          | Description                                                                                                                                                             |
|------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1999 | Menken Beverages           | Menken Beverages (the predecessor of the Company) was founded through a management buy-out of Menken Drinks and Refrescos de Sur Europa S.A.                            |
| 2000 | Krings                     | Krings was acquired as a fruit juice production company with sites in Germany with a strong position in supermarkets                                                    |
| 2002 | Hardthof                   | Through the acquisition of Hardthof, the Company extended its footprint to the east in Germany, thereby increasing its market share, especially in the discount channel |
| 2002 | Délifruits                 | Through the acquisition of Délifruits, the Company gained access to A-PET production capacity and expertise, and entry into France                                      |
| 2003 | Ifv                        | The acquisition of Interfruit Vital in Spain reinforced the Company's position in juices in Spain and Portugal as well as in the discount channel                       |
| 2004 | Vip                        | Through the acquisition of Vip-Juicemaker in Finland, the Company expanded its product offering into Finland with ciders and soft drinks                                |
| 2007 | Kentpol                    | Through the acquisition of Kentpol, the Company gained entry into Poland                                                                                                |
| 2007 | Histogram                  | Through the acquisition of Histogram, the Company gained entry into the UK                                                                                              |
| 2007 | Sun Beverage Company (SBC) | The Company acquired soft drinks producer Sun Beverage Company (SBC), thereby expanding its operations in Benelux and France                                            |



| <b>Year</b> | <b>Business acquired</b> | <b>Description</b>                                                                                                                                                                                              |
|-------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2007        | Nuits St George          | The Company acquired Nuits St George in France, thereby strengthening its customer service in the French market                                                                                                 |
| 2009        | Schiffers                | Through the acquisition of Schiffers Food, the Company consolidated its position in the Benelux private label soft drinks market                                                                                |
| 2010        | SDI                      | Through its acquisition of SDI, the Company gained entry into the CSDs market in Germany                                                                                                                        |
| 2011        | Spumador                 | The Company acquired Spumador (Italy) which was the largest private label producer of CSDs and mineral water in Italy                                                                                           |
| 2011        | Sulmona                  | Through the acquisition of the Sulmona facility from A-brand manufacturer Campari, the Company secured a long-term co-packing contract                                                                          |
| 2012        | Taja                     | The Company acquired Taja, a private label manufacturer of CSDs and bottled water in Poland                                                                                                                     |
| 2013        | Gerber EMIG              | The Company combined its business with the business of Gerber by way of an issuance of new shares against contribution in kind of Pride Foods Limited, which strengthened its market position in Western Europe |

On 30 May 2012, the Company acquired Taja sp. z o.o, a private label manufacturer of CSDs and bottled water. Taja sp. z o.o subsequently merged into another indirect Polish subsidiary of the Company, Kentpol – Żywiecki Kryształ sp. z o.o., on 7 May 2013.

On 15 April 2013, the Company entered into a merger agreement with each of the Selling Shareholders and Pride Foods Limited, in connection with the sale of Pride Foods Limited (which held the Gerber business) by Tamoa to the Company by means of a contribution of all outstanding Pride Foods Limited shares to the Company. As a result of that contribution, Tamoa acquired an interest of 27.5% in the Company and the interests held by the other shareholders in the Company were diluted to 72.5%. The combination with Gerber was completed on 11 November 2013. As a consequence of the combination, the Company had to dispose of the production plant in Waibstadt (Germany), a former plant of the Pride Foods Limited group. This disposal was effected in 2014.

## **Business Approach**

The Company's customers include national and international retailers and discounters as well as multinational brand owners. The Company operates a flexible bottling platform and strives to provide its customers with efficient bottling processes and comprehensive end-to-end supply chain solutions.

### *Preferred private label supplier for retailers*

For retailers and discounters with a private label range, the Company offers an end-to-end bottling supply solution. The Company's modern production technology and long-standing expertise are the foundation for the Company's reputation for high standards in soft drinks manufacturing.

Private label production requires a high level of coordination with retailers in areas such as product development and supply chain processes. The Company effectively manages increasingly complex product manufacturing processes while maintaining high levels of customer service across its geographies. In addition, the Company works in close cooperation with retailers on the development of new products and packaging designs.

### *Pan-European manufacturing platform for brand owners*

Brand owners seek co-packing manufacturers that have sufficient scale and geographic scope to provide the production flexibility to meet their requirements in multiple geographic markets. The Company provides its branded customers with the production flexibility that enables them to optimise their asset utilisation, expand their product and packaging offerings, and reduce their delivery costs.

### *Global sourcing and local R&D capabilities*

The Company sources raw materials from around the world and has procedures in place to monitor that its suppliers meet its production standards. The Company operates a flexible production platform, enabling it to develop new products and packaging combinations to meet the changing needs and requirements of its customers. For example, the Company focuses on A-PET-based technology, which facilitates the manufacturing of soft drinks without additives or preservatives.

### *Modern manufacturing network*

The Company's leading positions in the private label and co-packing markets are supported by its pan-European manufacturing network and its strong category management and servicing skills. The Company's production facilities are located in close proximity to warehouses and distribution centres to facilitate efficient distribution to its customers. With 159 production lines, its 27 production facilities include some of the most modern in Europe, capable of producing a wide variety of soft drinks and packaging.

## **Competitive Strengths**

Below is a summary of the Company's main competitive strengths, which the Company believes will continue to sustain and strengthen its position as a market leader.

### ***Winning business model, focusing on leadership in private label and co-packing, provides structural competitive advantages***

The Company differentiates itself with a unique business model pursuant to which it combines private label soft drinks manufacturing for European retailers and discounters with soft drinks manufacturing for brand owners (co-packing), which provides the Company with several structural competitive advantages:

- (a) The Company is strategically positioned to take advantage of growth trends in the European soft drinks market. The projected growth trends of private label (1.1% per year between 2014 and 2017 of the Company's addressable market volume) and co-packing volumes (8.9% per year between 2014 and 2017 of the Company's addressable market volume) indicate a combined growth of 2.2% per annum between 2014 and 2017 of the Company's addressable market volume compared to 0.4% overall European soft drinks market volume growth (see "*Industry – Private label*" and "*Industry – Co-packing*")<sup>45</sup>;
- (b) The Company's private label activities evidence its production flexibility and efficiency while its co-packing activities provide the comfort of high quality and service standards;
- (c) The Company is not competing with A-brand owners given its focus on private label and co-packing (except for selected specialty drink products in some regions), providing an advantage when competing for outsourced branded volumes versus, for example, the manufacturing and bottling subsidiaries of large A-brand owners;
- (d) The longer-term nature of co-packing contracts adds resilience, stability and predictability; and
- (e) Increased production complexity as a result of product and packaging diversification often results in A-brand owners outsourcing the manufacturing of their new and lower volume products. In contrast, co-packing these volumes allows the Company to optimise plant/line specialisation and reduce overall complexity and switch-over costs as these volumes are relatively large in comparison to the private label product portfolio of the Company.

### ***Clear cost benefits resulting from being a leading pan-European independent bottler with market-leading positions.***

The Company is the leading soft drinks manufacturer in Europe and is currently both the number one private label soft drinks manufacturer and the number one co-packing manufacturer in Europe in terms of volume.<sup>46</sup> Its manufacturing network encompasses 27 production facilities in nine countries operating 159 production lines which are well-positioned to serve their local markets. As such, the Company benefits from significant economies of scale and has sustained competitive margins through managing both procurement and operating expenses.

<sup>45</sup> Company Market Study.

<sup>46</sup> Company Market Study.

Given the highly consolidated supplier base for its key raw materials, the Company's scale provides a competitive advantage in securing competitive input pricing and preferential supply and payment terms in comparison with its smaller competitors. This scale benefit is further amplified by the Company's coordinated procurement approach with deep market knowledge through dedicated experts for each key raw materials category and a constant focus on creating alternative supply chains (for example, sourcing from smaller suppliers or substituting sugar with sucralose).

The Company's size also contributes to economies of scale in production costs and distribution. Its pan-European production platform and mix of private label and co-packing volumes enable the Company to continuously optimise its efficiency and capacity utilisation. In addition, the Company's manufacturing footprint provides proximity to the Company's customers, enabling the Company to minimise distribution expenses while also addressing environmental concerns. The Company believes this proximity and flexibility differentiates it from its competitors and enables it to develop exclusive relationships with its customers with respect to certain products in particular regions.

***Full spectrum of product and packaging offerings across its pan-European platform provides stability through diversification***

Through its extensive and flexible manufacturing network, the Company manufactures an extensive range of products in a variety of packaging in its key countries/regions, as set out in the table below:

|           |                                | Benelux                                                                           | Germany                                                                           | France                                                                            | UK                                                                                | Spain                                                                             | Italy                                                                              | NE Europe                                                                           |                                                                                     |
|-----------|--------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|           |                                |  |  |  |  |  |  |  |  |
| Packaging | Cans                           | ⊙                                                                                 |                                                                                   | ⊙                                                                                 |                                                                                   | ⊙                                                                                 | ⊙                                                                                  |                                                                                     |                                                                                     |
|           | PET                            | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                  | ⊙                                                                                   | ⊙                                                                                   |
|           | A-PET                          |                                                                                   | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                  |                                                                                     |                                                                                     |
|           | Carton                         | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                  | ⊙                                                                                   | ⊙                                                                                   |
|           | Glass                          |                                                                                   |                                                                                   |                                                                                   |                                                                                   | ⊙                                                                                 | ⊙                                                                                  |                                                                                     |                                                                                     |
| Products  | Carbonated soft drinks ("CSD") | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 |                                                                                   | ⊙                                                                                 | ⊙                                                                                  | ⊙                                                                                   | ⊙                                                                                   |
|           | Fruit juices                   | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                  | ⊙                                                                                   | ⊙                                                                                   |
|           | Functional still drinks        | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                  | ⊙                                                                                   | ⊙                                                                                   |
|           | RTD tea                        | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                  | ⊙                                                                                   | ⊙                                                                                   |
|           | Water                          | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 |                                                                                   |                                                                                   | ⊙                                                                                  |                                                                                     | ⊙                                                                                   |
|           | Energy drinks                  | ⊙                                                                                 | ⊙                                                                                 | ⊙                                                                                 |                                                                                   | ⊙                                                                                 |                                                                                    | ⊙                                                                                   | ⊙                                                                                   |

This range of product and packaging offerings, combined with geographic diversification and the combination of private label and co-packing manufacturing, adds stability and sustainability to the business. The Company's diversity provides it with the flexibility to adapt to potential future changes in the industry and market in terms of products, packaging and regions.

Furthermore, the diversified offering improves the Company's competitive position for both private label and co-packing volume tenders. The Company believes that A-brand owners often look for co-packing manufacturers that have sufficient scale and geographic scope and that can provide the production flexibility to meet their requirements in multiple markets. Private label customers, on the other hand, can reduce sourcing complexity and costs by working with the same manufacturer across various regions and packaging types.

***Solid foundation for the future based on longstanding customer relationships and a reputation as a preferred supplier for retailers in Europe and an attractive partner for A-brand owners***

Over time, the Company has built long-standing relationships with many of Europe's leading retailers and discounters, including Lidl, Aldi, Dia, Ahold, Jumbo, Rewe, Carrefour, Delhaize, Edeka and Morrisons. The Company also has multi-year co-packing contracts with brand owners such as PepsiCo, Coca-Cola, Orangina Schweppes and Unilever. The Company believes it has relationships of greater than 15 years with 19 of its top 20 customers (including relationships of acquired companies).

The Company builds and maintains these relationships through customer integration, employing a high level of coordination with its customers in areas such as supply chain (to minimise freight costs and reduce working capital requirements), new product development and packaging designs, market expertise (trends and opportunities) and customer service. The high level of customer integration coupled with the Company's ability to provide a full range of soft drinks products and packaging increases both the dependence of its current and future customers on its services as well as the Company's negotiating position in relation to its customers. The Company therefore believes that it is well-positioned not only to maintain its relationships with its current customers but also to further strengthen these relationships, from both a geographic and product perspective, while also building relationships with new customers. The Company estimates that it can achieve additional utilisation from its existing footprint.

#### ***Differentiated innovation capabilities support uniqueness of customer proposition and cost leadership***

The Company believes that it differentiates itself from most of its competitors by its focus on innovation, which is driven by the Company's aim to follow the industry trends shaping end-consumer demand. For example, the Company is leading the development of A-PET, which management believes will replace more traditional packaging types in the near future.

The Company continuously aims to optimise its product and packaging offerings in collaboration with its customers following the trends driving end-consumer demand. Its manufacturing platform enables the Company to respond quickly to its customers' changing requirements in this respect. In addition, the Company focuses on innovation to achieve cost advantages and to allow its customers to differentiate themselves from their competitors. The Company's ability to differentiate itself is strengthened by its scale and experience as these attributes allow the Company to justify required investments with a quick route to market and achievable volumes across its pan-European platform where smaller companies are unable to compete.

The Company's innovation capabilities provide a competitive advantage in tenders as the Company aims to pro-actively propose alternative specifications to improve recipes and minimise costs (e.g. alternative packaging or sourcing solutions). The Company's track record and abilities in this respect are widely recognised by its customers and therefore continue to strengthen its customer relationships.

#### ***Track record of synergy realisation from acquisitions is evidence of the success of the continuing consolidation strategy***

Since 1999, the Company has transformed itself, in part through 15 acquisitions, from a small, local juice bottler into the leading soft drinks manufacturers in Europe and is currently both the number one private label soft drinks manufacturer and the number one co-packing manufacturer in Europe in terms of volume.<sup>47</sup> As the Company increases its scale, achievable procurement and footprint optimisation synergies become more evident. The combination with Gerber provides evidence of the success of management's pro-active consolidation approach with synergy realisation from the combination well ahead of plan mainly as a result of faster than expected realisation of procurement synergies. The Company intends to continue taking a pro-active approach towards consolidation to be able to generate significant value from any future acquisitions through realisation of synergies.

#### ***Committed and experienced management team widely recognised in the industry***

The members of the Executive Board are widely recognised in the industry and have strengthened the Company's relationships with some of the largest and fastest growing retailers, discounters and brand owners in Europe. The Executive Board is supported by a senior management team with, on average, more than ten years' experience in the food and drinks industry. Together, they have built a strong track record of financial performance, acquisitions and efficiency improvements.

### **Strategy**

Below is an overview of the Company's strategic objectives. The Company has identified several key initiatives to achieve its objectives by driving scale, margin improvement and cash flow conversion. These initiatives, as set out below, are structured around: (i) synergy extraction resulting from the combination with Gerber; (ii) organic initiatives to drive profitable growth; and (iii) continuation of its "buy-and-build strategy".

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<sup>47</sup> Company Market Study.

### ***Focus on full synergy extraction resulting from the combination with Gerber***

In November 2013, the Company combined its business with the business of Gerber through the issuance of new Shares against contribution in kind of Pride Foods Limited. See also “– *History and development*”.

The Company categorises achievable synergies from mergers and acquisitions in procurement, operations, overhead and commercial. Procurement generally forms the largest category of achievable synergies. Total cost synergies of the combination with Gerber are estimated by the Company at 4.5%-6.0% of annual Gerber revenue, which it expects to achieve in full by the end of 2016. At the end of 2014, the Company had already realised EUR23.1 million of run-rate synergies, or 2.9 % of annual Gerber revenue. The largest contributor to the 2014 realised synergies was procurement synergies. The total run-rate of procurement synergies is estimated at 3.0%-3.5% of annual Gerber revenue which was already largely realised in 2014 through renegotiated procurement contracts and resulted in EUR16.3 million of run-rate synergies at the end of 2014.

Full realisation of the remaining operational synergies arising from plant closures (targeted at 1.0%-1.5% of annual Gerber revenue) and overhead synergies mainly achieved through headcount reductions (targeted at 0.5%-1.0% of annual Gerber revenue) is targeted to be achieved in 2015 and 2016. The Company has already started the necessary steps to realise the remaining integration synergies and is confident that it will achieve its targets in the said timeframe.

### ***Organic growth initiatives***

*Above-market organic growth in private label.* The Company has built a scalable platform through the successful integration of multiple acquisitions. Together with its historical focus on profitable growth, the Company believes this has resulted in a unique competitive position combining scale and profitability above other players. The Company aims to continue to leverage its platform, drive profitable growth and maintain its operational excellence. In private label, the Company aims to consolidate its leadership positions by achieving growth rates slightly above the private label soft drinks market volume growth. In order to achieve this, the Company has identified three key focus areas. First, the Company will seek to drive growth by completing its portfolio across products, packaging and regions. Second, the Company aims to gain further market share of retailers, in particular hard discounters. Third, a high level of innovation and new product development is expected to contribute to private label volume growth for the Company, including growth from its leading position in A-PET technology. Growth in sports and energy drinks and ready-to-drink tea is a priority.

*Aggressive expansion in co-packing with existing and new customers.* The Company is seeking to significantly expand its co-packing business by focusing on: (i) new volumes with existing customers; and (ii) new customers. With existing customers, the Company aims to leverage its current relationships to capture additional outsourced volumes and to grow with the expansion of its overseas customers in Europe. The Company also aims to gain additional outsourced volumes from its existing customers and win contracts with new customers by launching new innovative products and expanding its offering throughout Europe. The Company also seeks to enter into strategic bilateral agreements with A-brand owners. The Company aims to increase the co-packing share in the medium term and in the long term.

*Operational excellence.* The Company plans to continue to invest in improving production flexibility and cost efficiencies in its manufacturing and warehousing operations. A major component of operational excellence is the Company's focus on footprint optimisation. The recent closure of the Heerlen facility (2014), the announced closures of St. Andrea (2015) and the intended closure of an additional manufacturing plant are examples of how the Company aims to maximise its efficiency through managing its footprint. Additionally, the Company currently expects to close three plants over the next six years. The Company continues to critically evaluate its footprint and individual production facilities and warehouses which may lead to further optimisation decisions in the future, especially in the event of further acquisitions. In addition, the Company aims to reduce its overall cost base and improve corporate social responsibility practices through a variety of cost-saving initiatives. These include, for example, investments in new fully automated and higher-speed production lines and specific targets for reducing energy, waste and water usage with increased recycling rates. The Company's cost base is also expected to benefit from a procurement roadmap aimed at maximising the gross profit margin per litre.

### ***Continue its “buy-and-build” strategy***

The Company plans to continue to execute its “buy-and-build” strategy by making selective investments and acquisitions. The Company's management believes in the added value of acquisitive growth and maintains a



clear framework in order to evaluate the attractiveness of individual opportunities, both in existing and adjacent markets. The total soft drinks volume in those adjacent markets is 32.4 billion litres of which 2.7 billion litres is comprised of private label volume (representing a penetration of approximately 8.3%) and the remaining 29.7 billion litres is comprised of branded volume<sup>48</sup>. The Company believes there is a number of tangible value-creating opportunities to further consolidate its existing markets and expand into new regions such as adjacent markets and overseas markets. However, the Company maintains a prudent approach in assessing any investment decision using the following criteria to assess potential targets: (i) possibility to exploit operational synergy potential; (ii) extent to which the target's business complements the Company's product and packaging offering; and (iii) whether acquisition of the target would reinforce the Company's leading local position. In addition, overseas expansion is possible. The Company's framework sets out the factors to consider when evaluating a potential acquisition (e.g. synergy potential and reinforcement of local number one positions) and priority areas for acquisitions in terms of region, product, packaging and channel, aligned with the overall strategic objectives.

The Company's focus areas for acquisitions are:

- (a) *Region*: Europe (both existing and adjacent countries) and North America;
- (b) *Drink types*: Juices and ready-to-drink/other categories;
- (c) *Packaging types*: carton, PET, A-PET and cans; and
- (d) *Channel to market*: off-trade private label and off-trade co-packing.

The Company uses the following financial metrics to assess potential acquisition targets:

- (a) Adjusted EBITDA and multiplier before and after expected synergies;
- (b) growth opportunities;
- (c) increase of the Company's ROCE to more than 10%; and
- (d) increase of the Company's EBITDA to more than 10%.

### **Medium-Term Objectives**

The Company has set the following medium-term objectives, which it aims to achieve by executing its strategy as described in "*Business – Strategy*".

The Company has not defined, and does not intend to define, "medium term". These medium-term financial objectives should not be read as forecasts or projections for any particular year, but are merely objectives that result from the Company's pursuit of its strategy. The Company can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as of the date of this Prospectus but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, including but not limited to, those described in "*Information Regarding Forward Looking Statements*" and "*Risk Factors*". Investors are urged not to place undue reliance on any of the statements set out above.

*Revenue and volume growth*: The Company targets average organic annual volume growth in the low to mid single digits, based on current market outlook, and an average organic annual revenue growth in line with volume growth at constant raw material prices and excluding product mix effects.

*Gross profit margin per litre*: Gross profit margin per litre is targeted to decrease marginally due to product mix effects, based on current outlook on the market and a competitive environment.

*Operating expenses*: The Company targets an average organic operating expenses growth lower than volume growth driven by product mix effects, operating leverage, footprint optimisation and efficiency improvements.

*Gerber synergies well ahead of initial expectations*: The Company expects full run-rate synergies to be realised by the end of 2016.

*Capital expenditure*: The Company targets a sustainable capital expenditure level of 3%-4% of the Company's annual revenues.

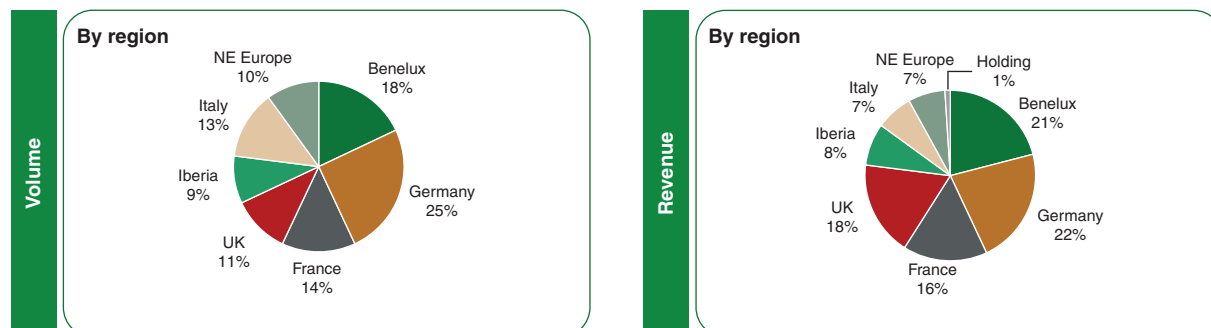
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<sup>48</sup> Company Market Study.



## Business Units

The Company is centrally organised to maximise operational efficiencies, synergies and funding through its headquarters in Rotterdam. The central activities include decisions related to allocating resources, (central) sales, operations and footprint, financing of the Group, procurement, major investments and acquisitions, human resources, treasury, reporting and ICT. In order to optimise its European footprint for reduction of production and transportation costs, and to be close to local clients, the Company has seven regionally focused business units which focus on (local) sales and production.



The Company's regional split of revenue and volumes and its market position are as follows:

- Refresco Germany which represented 22.2% of the Group's 2014 consolidated revenue and 24.9% of the total volume in 2014. The Company was the number one private label manufacturer in the German market in terms of volume in 2013<sup>49</sup>.
- Refresco Benelux which represented 21.2% of the Group's 2014 consolidated revenue and 17.7% of the total volume in 2014. The Company was the number one private label manufacturer in the Benelux market in terms of volume in 2013<sup>50</sup>.
- Refresco UK which represented 17.8% of the Group's 2014 consolidated revenue and 10.6% of the total volume in 2014. The Company was a top-three private label manufacturer in the UK market in terms of volume in 2013<sup>51</sup>.
- Refresco France which represented 15.7% of the Group's 2014 consolidated revenue and 14.5% of the total volume in 2014. The Company was a top-three private label manufacturer in the French market in terms of volume in 2013<sup>52</sup>.
- Refresco North East Europe, comprising Poland and Finland, which represented 7.3% of the Group's 2014 consolidated revenue and 10.1% of the total volume in 2014. Refresco North Eastern Europe sells its products in Poland, Czech Republic, Hungary, Slovak Republic, Slovenia, the Nordic countries and the Baltic states. The Company was a top-three private label manufacturer in the Polish market<sup>53</sup> and the number one private label manufacturer in the Finnish markets in terms of off-trade volume in 2012<sup>54</sup>.
- Refresco Iberia which represented 7.5% of the Group's 2014 consolidated revenue and 9.1% of the total volume in 2014. The Company was a top-three private label manufacturer in the Iberian market in terms of volume in 2013<sup>55</sup>.
- Refresco Italy which represented 6.9% of the Group's 2014 consolidated revenue and 13.1% of the total volume in 2014. The Company was the number one private label manufacturer in the Italian market in terms of volume in 2013<sup>56</sup>.

<sup>49</sup> Company Market Study; based on 2013 figures.

<sup>50</sup> Company Market Study; based on 2013 figures.

<sup>51</sup> Company Market Study; based on 2013 figures.

<sup>52</sup> Company Market Study; based on 2013 figures.

<sup>53</sup> Company Market Study; based on 2013 figures.

<sup>54</sup> Company Market Study; based on 2012 figures.

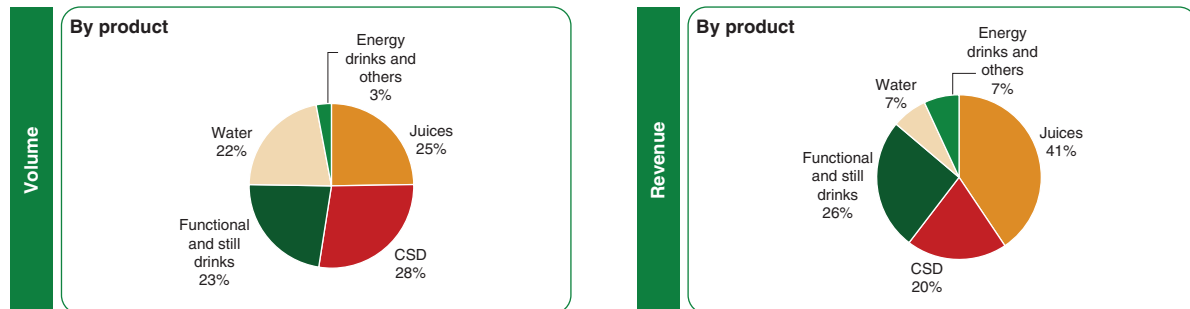
<sup>55</sup> Company Market Study; based on 2013 figures.

<sup>56</sup> Company Market Study; based on 2013 figures.

## Product Portfolio

The Company manufactures a range of soft drinks consisting of CSDs, bottled water, fruit and vegetable juices, sports and energy drinks, still drinks, dilutables and other drinks each of which is described in more detail in “*Industry – Product categories*”. Other drinks include seasonal and speciality drinks such as local beers and mulled wine.

The graphics below show the percentage of the Company’s total consolidated revenue generated by each product category, and the percentage of the total volume produced by each product category, both in 2014.



## Sales

The Company manufactures the products described in “– *Product portfolio*” for its private label customers and co-packing customers, with the exception of water which it only manufactures for its private label customers and under its own brands.

In 2014, the Company’s top ten biggest customers, comprising both private label and co-packing customers, generated 54% of the total volume, of which the top five biggest customers generated 40% of the total volume. Generally, the Company has multiple contracts with each of its customers that are country- and product-specific rather than a single contract with each customer. The fact that there are multiple contracts in place mitigates the risk of losing a customer’s entire business. The largest customer in an individual region represents 5.2 % of the Company’s revenue.

### Private Label Products

Private label products vary in quality and price, ranging from lower-priced retailer brands to more exclusive, higher-end, high-quality brands. The Company’s private label business provides it with a high volume which allows high-capacity utilisation of its production facilities.

The Company’s main private label customers include Lidl, Aldi, Dia, Ahold, Jumbo, Rewe, Carrefour, Delhaize, Edeka and Morrisons. It provides a full range of soft drinks products and services to its customers, working with them to develop unique product offerings and partnering with them on supply chain planning and execution. The Company believes this collaborative approach helps it to strengthen its customer relationships. Private label contracts are typically one-year fixed-price agreements based on volume estimates. The Company believes it has a high contract renewal rate with its private label customers and, in many cases, it also has become the exclusive supplier of certain products in particular regions. Generally, no fixed volume is agreed with the customer and guidance is provided by historic data or, in some cases, forecasts.

The Company also manufactures and sells products under its own country-specific value brands. Unlike global and pan-European branded products, the Company uses local value brands to capitalise on variations in end-consumer taste from region to region. The Company differentiates its own brands by the unique characteristics of the products manufactured and sold under that brand. For example, the Wicky brand is a value-for-money fruit juice drink for school children’s lunches in the Netherlands. However, the Company avoids manufacturing value brand products that directly compete with its primary customers’ products and it presently does not plan to expand this product category. Examples of the Company’s value brands are Wicky in the Netherlands, San Antonio in Italy and Sunpride in the UK.

In 2014, private label products represented 83% of the Group’s consolidated revenue and 82% of the Group’s total volume.

### ***Co-packing Business***

The Company has long-standing relationships with several of the leading A-brand owners, many of which have granted it exclusive contracts to manufacture certain products in particular countries. The Company's co-packing business provides it with increased utilisation rates, enables it to bridge seasonal fluctuations and allows it to respond to end-consumer shifts in demand.

The Company manufactures products under brands, such as PepsiCo, Coca-Cola, Orangina Schweppes and Monster. The Company provides its A-brand customers with production flexibility that enables them to better utilise their assets, expand their packaging mix and lower their production costs. The Company has multi-year contracts with its co-packing customers which typically last for three to five years; however, some have a duration of up to ten years when specific investments are required.

The key difference between the Company's private label and co-packing activities is that large co-packing activities source themselves, i.e. activities are carried out on behalf of the customer, and private label activities are carried out with the Company bearing the cost and risk. For its co-packing activities, the larger co-packing customers provide the required raw materials and packaging materials themselves. If this is not the case, the Company sources the required raw materials back-to-back for the relevant co-packing customers. In addition, some of its co-packing customers direct the Company to purchase raw materials and packaging materials on their behalf and in accordance with their specifications, including vendor selection and pricing terms. In such cases, the Company passes through the cost of such orders directly to its co-packing customers and it does not record the expense on its income statement. As a result, the Company does not bear this commodity risk in respect of most co-packing contracts. This is different from the Company's private label activities for which raw materials are sourced from commodity producers and traders. In addition, most co-packing customers pay a fixed fee per unit and agree to purchase a minimum volume of units. If the co-packing customer purchases less than the agreed minimum volume, a penalty applies. Private label customers often hold tenders. The Company agrees with the private label customer on a fixed fee per unit, with no minimum volume guarantee. Due to the nature of the Company's co-packing customers, the quality requirements for its co-packing products are even higher than for its private label products.

In 2014, the co-packing business represented 17% of the Group's consolidated revenue and 18% of the Group's total volume.

### **Raw Materials and Packaging Materials**

Raw materials and packaging materials represent the main categories of the Company's procurement spend.

The following table shows the Company's raw materials and packaging materials expenditures for the years ended 31 December 2014, 2013 and 2012.

|                                           | Year ended 31 December |              |              |
|-------------------------------------------|------------------------|--------------|--------------|
|                                           | 2014                   | 2013         | 2012         |
| <i>(EUR millions)</i>                     |                        |              |              |
| <b>Raw materials and consumables used</b> |                        |              |              |
| Raw materials and consumables . . . . .   | 646.9                  | 513.3        | 480.6        |
| Packaging materials . . . . .             | 524.2                  | 445.0        | 460.5        |
| Product tax . . . . .                     | 15.4                   | 13.5         | 17.9         |
| <b>Total</b> . . . . .                    | <u>1,186.5</u>         | <u>971.8</u> | <u>959.0</u> |

The substantial majority of raw materials and packaging materials are purchased on a centralised basis. The Company employs a group director of procurement who heads a team of procurement managers. The Company centrally employs the procurement managers who are each responsible for the procurement of one or more of the raw materials or packaging materials.

The consolidation of the soft drinks market has resulted in a smaller number of key raw materials and packaging materials suppliers. The Company has strong relationships with the majority of these suppliers.

Through back-to-back hedging, the Company attempts to minimise its commercial exposure to market price fluctuations. The Company attempts to achieve this with forward-buying through supply agreements. For this purpose, the Company attempts to match its required raw materials and packaging materials to its sales volumes as much as possible in any given period. This requires constant monitoring of sold volumes and procured raw

materials and packaging materials, because sales agreements are often based on fixed periods whereas raw material agreements are based on volumes. For certain commodities, a full back-to-back cannot be implemented because of too-high procurement requirements and storage costs (for example, plastics).

In general, input price fluctuations can only be passed on to the Company's customers at the renewal of the relevant contracts.

In general, the Company estimates that it purchases approximately 90% of the total volume of its raw materials and packaging materials from suppliers against a fixed price based on the market price at the time of negotiation. The Company purchases the remaining 10% against the spot price on the market.

### ***Raw Materials***

The Company's three primary raw materials are orange juice, apple juice and carbohydrates.

#### *Orange juice*

The Company's raw material supply of orange juice consists of FCOJ and NFC OJ. Supply and demand of FCOJ and NFC OJ are driven by standard commodity market dynamics. Between 1 January 2010 and 31 December 2014, the price of FCOJ varied between EUR1,180 and EUR2,000 per ton, averaging approximately EUR1,590 per ton. The Company is an important FCOJ and NFC OJ customer globally. Orange juice forms 32% of the Company's total spend on raw materials in 2014. Contracts are negotiated annually for a fixed amount of FCOJ or NFC OJ.

The Company purchases FCOJ and NFC OJ mainly from Cutrale, Citrosuco and Louis Dreyfus.

#### *Apple juice*

The Company's raw material supply of apple juice consists of apple juice concentrate and NFC apple juice. Supply and demand of apple juice concentrate and NFC apple juice is driven by standard commodity market dynamics. However, apple juice concentrate and NFC apple juice are not traded on an exchange. Between 1 January 2010 and 31 December 2014, the price of apple juice concentrate varied between EUR750 and EUR1,550 per ton, averaging approximately EUR1,150 per ton.<sup>57</sup>

The Company is an important apple juice concentrate and NFC apple juice customer in Europe. Apple juice forms 14% of the Company's total spend on raw materials in 2014. Contracts are negotiated annually for a fixed amount of apple juice concentrate.

There are two types of apple juice concentrate: sour and sweet. Sour apple juice concentrate is mainly produced in Central and Eastern Europe. Sweet apple juice concentrate is mainly produced in China and Poland. The Company purchases sour apple juice concentrate mainly from Agrana and Döhler, and sweet apple juice concentrate from several suppliers.

#### *Carbohydrates*

The Company's raw materials supply of carbohydrates includes raw sugar. Supply and demand of raw sugar is driven by standard commodity market dynamics. Raw sugar is also traded on an exchange. Between 1 January 2010 and 31 December 2014, the price of raw sugar varied between EUR385 and EUR760 per ton, averaging approximately EUR575 per ton.<sup>58</sup>

Carbohydrates form 21% of the Company's total spend on raw materials in 2014. Contracts are negotiated annually for a fixed amount of raw sugar.

The Company purchases raw sugar from providers throughout Europe, but mainly from Südzucker, Suikerunie and Tereos.

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<sup>57</sup> Mintec.

<sup>58</sup> EU website.

## ***Packaging Materials***

The Company's three primary packaging materials are PET, liquid paper board ("**LPB**") (i.e. beverage cartons) and cans.

### ***PET***

PET products, such as the Company's packaging materials, are made from PET resin. Supply and demand of PET is driven by standard commodity market dynamics. Between January 2010 and 31 December 2014, the price of PET resin varied between EUR900 and EUR1,300 per ton, averaging approximately EUR1,150 per ton<sup>59</sup>. PET forms 26% of the Company's total spend on packaging materials in 2014. Contracts are negotiated quarterly or semi-annually for a fixed amount of PET resin.

The Company purchases PET resin mainly from Plastipak, APPE and PET Verpack.

### ***LPB (i.e. beverage cartons)***

Another of the Company's raw materials is liquid paper board used for the filling of juice products and iced teas. Supply and demand of LPB is driven by standard commodity market dynamics; there are no market prices available. LPB forms 29% of the Company's total spend on packaging materials in 2014. Contracts are negotiated annually for a fixed price per pack.

The Company purchases LPB mainly from SIG, Tetra Pak and Elopak.

### ***Cans***

Cans are typically made from aluminium. Supply and demand of cans is driven by standard commodity market dynamics. Between January 2010 and 31 December 2014, the price of aluminium varied between EUR1,100 and EUR2,000 per ton, averaging approximately EUR1,550 per ton.<sup>60</sup>

Cans form 16% of the Company's total spend on packaging materials. Contracts are negotiated annually or for a longer fixed period. The price of cans is to a large extent fixed and partly fluctuating with the aluminium price based on LME index.

The Company purchases its cans mainly from Ball, Canpack, Crown and Rexam.

## **Production and Warehousing**

As of 31 December 2014, the Company owned 26 production facilities in nine countries and it leased the Erftstadt site, operating 159 production lines<sup>61</sup>. The Company has a capacity of approximately 10 billion litres. The Company is currently running on an average utilisation rate of 55%.

The Company intends to close another manufacturing plant still to be identified.

The closure of St. Andrea was announced in November 2014 and is envisaged to occur on or around 1 September 2015. Two A-PET lines will be transferred to Caslino after extension of the buildings.

The Company intends to build a new plant and warehouse in Le Quesnoy to replace current facilities and to accommodate A-PET volumes to service co-packing customers in northern France. Le Quesnoy carton volumes will be transferred to the new plant and a new A-PET line will be installed in 2017. Investments are estimated at EUR35 million and are to be funded partially through operational lease and partially through the Company's operating cash flow (i.e. the Company's capital expenditure budget).

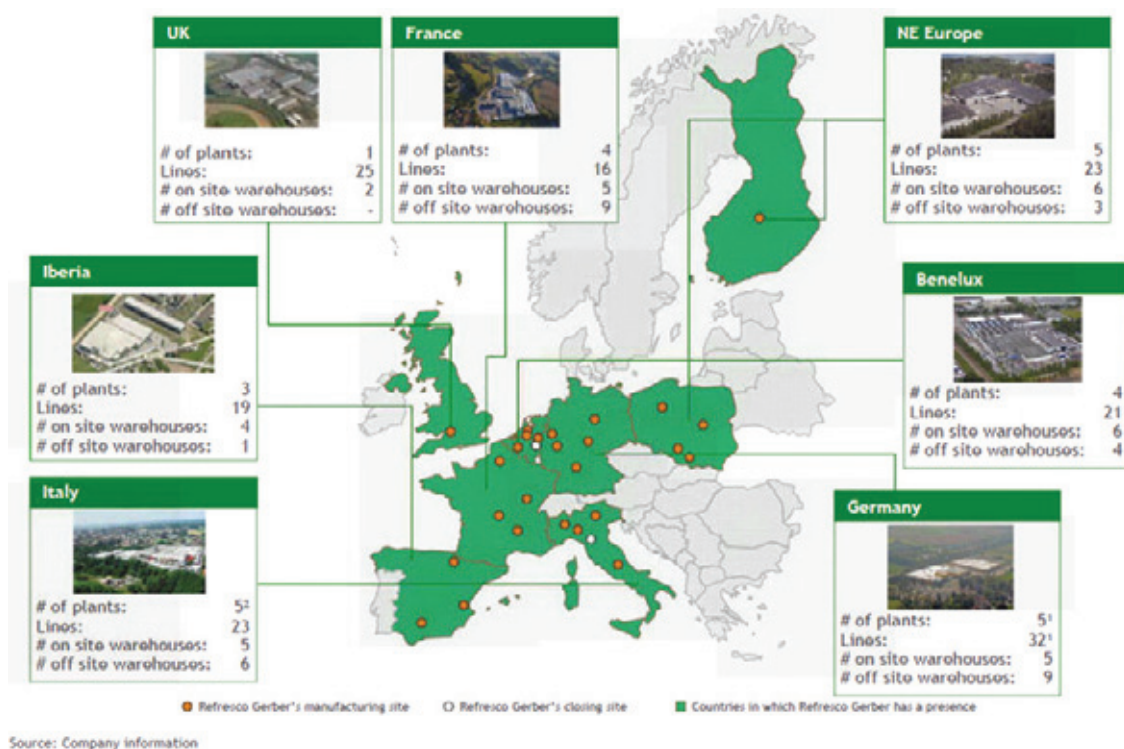
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<sup>59</sup> PCI index.

<sup>60</sup> LME.

<sup>61</sup> Including the St. Andrea plant that is announced to be closed and another plant in the future for closure.





<sup>1</sup> Excluding Heerlen that closed in November 2014.

<sup>2</sup> Including St. Andrea planned to be closed (closure announced on November 11, 2014)

Note: An unidentified additional plant to be closed.

Each production site consists of one or more production lines that are generally dedicated to a particular package format and size and to specific products. Manufacturing consists of private label product production and co-packing. The actual volumes produced are affected by the size of package produced or the 'pack-type', the number of times the line is switched over to a different package or product and the amount of scheduled and unscheduled downtime for maintenance and repairs.

The table below provides an overview of the Company's production facilities, including the products that are manufactured and the packaging used.

|           |                                | Benelux | Germany | France | UK | Spain | Italy | NE Europe |   |
|-----------|--------------------------------|---------|---------|--------|----|-------|-------|-----------|---|
|           |                                |         |         |        |    |       |       |           |   |
| Packaging | Cans                           | ○       |         | ○      |    | ○     | ○     |           |   |
|           | PET                            | ○       | ○       | ○      | ○  | ○     | ○     | ○         | ○ |
|           | A-PET                          |         | ○       | ○      | ○  | ○     | ○     |           |   |
|           | Carton                         | ○       | ○       | ○      | ○  | ○     | ○     | ○         | ○ |
|           | Glass                          |         |         |        |    | ○     | ○     |           |   |
| Products  | Carbonated soft drinks ("CSD") | ○       | ○       | ○      |    | ○     | ○     | ○         | ○ |
|           | Fruit juices                   | ○       | ○       | ○      | ○  | ○     | ○     | ○         | ○ |
|           | Functional still drinks        | ○       | ○       | ○      | ○  | ○     | ○     | ○         | ○ |
|           | RTD tea                        | ○       | ○       | ○      | ○  | ○     | ○     | ○         | ○ |
|           | Water                          | ○       | ○       | ○      |    |       | ○     |           | ○ |
|           | Energy drinks                  | ○       | ○       | ○      |    | ○     |       | ○         | ○ |



The production process typically consists of five phases: preparation, mixing, filling, packaging and warehousing. The Company's production lines are fully automated from the preparation phase to loading finished products on to pallets at the end. The Company maintains its equipment using a computerised system that is designed to schedule regular preventative maintenance and parts replacement ahead of failure. All of the Company's production facilities are either IFS certified or, in the UK, BRC certified, with the sole exception of the Quarona Sesia site in Italy where IFS certification is planned by the end of 2016. The majority (19 of 27) of Company's production facilities are ISO 14001 certified.

The Company uses several warehouses, some of which are on-site and others are off-site. The off-site warehouses are leased while the on-site warehouses are mostly owned. The table below sets out the owned production facilities and the owned or leased warehouses as of 31 December 2014:

|                  | Production facility | On-site warehouses |          |                   | Off-site warehouses |          |           |
|------------------|---------------------|--------------------|----------|-------------------|---------------------|----------|-----------|
|                  |                     | No.                | Capacity | Ownership         | No.                 | Capacity | Ownership |
| <b>Benelux</b>   | Maarheeze           | 1                  | 14,000   | Owned             | 1                   | 6,000    | Leased    |
|                  | Bodegraven          | 1                  | 32,500   | Leased            | 1                   | 5,000    | Leased    |
|                  | Hoensbroek          | 1                  | 7,000    | Owned             | 1                   | 14,000   | Leased    |
|                  | Ninove              | 3                  | 16,800   | Owned             | 1                   | 4,600    | Leased    |
| <b>Germany</b>   | Herrath             | 1                  | 15,894   | Owned             | 1                   | 1,500    | Leased    |
|                  | Grünsfeld           | 1                  | 2,072    | Owned             | 4                   | 14,400   | Leased    |
|                  | Dachwig             | 1                  | 4,700    | Owned             | 1                   | 12,350   | Leased    |
|                  | Erftstadt           | 1                  | 32,400   | Owned             | 2                   | 8,800    | Leased    |
|                  | Calvoerde           | 1                  | 11,000   | Owned             | 1                   | 39,000   | Leased    |
| <b>France</b>    | St. Donat           | 1                  | 24,000   | Owned             | 1                   | 9,000    | Leased    |
|                  | St. Alban           | 2                  | 36,000   | Owned             | 5                   | 24,000   | Leased    |
|                  | Nuits St. Georges   | —                  | —        | —                 | 2                   | 23,000   | Leased    |
|                  | Le Quesnoy          | 2                  | 8,000    | Owned             | 1                   | 3,000    | Leased    |
| <b>UK</b>        | Bridgwater          | 3                  | 45,000   | 2 leased, 1 owned | —                   | —        | —         |
| <b>Spain</b>     | Marcilla            | 1                  | 26,000   | Owned             | —                   | —        | —         |
|                  | Alcolea             | 2                  | 26,500   | 50/50             | —                   | —        | —         |
|                  | Oliva               | 1                  | 3,500    | Owned             | 1                   | 20,000   | Leased    |
| <b>Italy</b>     | Casino al Piano     | 1                  | 10,500   | Owned             | 2                   | 16,500   | Leased    |
|                  | Spinone al Lago     | 1                  | 3,500    | Owned             | 2                   | 5,000    | Leased    |
|                  | St. Andrea          | 1                  | 1,500    | Owned             | 2                   | 10,500   | Leased    |
|                  | Sulmona             | 1                  | 12,000   | Owned             | —                   | —        | —         |
|                  | Quarona Sesia       | 1                  | 1,500    | Owned             | —                   | —        | —         |
| <b>NE Europe</b> | Kety                | 1                  | 15,250   | Owned             | —                   | —        | —         |
|                  | Slemien             | 1                  | 800      | Owned             | —                   | —        | —         |
|                  | Nieszawa            | 1                  | 4,700    | Owned             | —                   | —        | —         |
|                  | Kozietuly           | 1                  | 2,358    | Owned             | 3                   | 3,700    | Leased    |
|                  | Kuopio              | 2                  | 15,500   | 50/50             | —                   | —        | —         |

Heerlen was closed as of 1 November 2014. The closure of St. Andrea has been announced for November 2015. In Grünsfeld, an automated high bay warehouse is currently being built, with a target to be operational by the third quarter of 2015. Investments are estimated at EUR13.5 million and are to be funded through the Company's operating cash flow (i.e. the Company's capital expenditure budget).

During the last five years, the Company has implemented, and may in the future implement, cost-savings initiatives to support the implementation of key strategic initiatives designed to achieve long-term sustainable growth, such as the closure of a production site in Heerlen, the Netherlands in November 2014. The Company expects to close a plant every other year for the next six years which would result in a total of three plant closures in this time period. The average cash-out for a plant closure is typically approximately EUR5 million per year, of which EUR2.5 million is related to capital expenditure and EUR2.5 million is related to redundancy costs. The average accelerated depreciation in the Company's profit and loss account is typically EUR7.5 million per plant.

The Company owns most of the warehouses at each of its production facilities<sup>62</sup> sites, and it leases off-site warehouses to maintain capacity flexibility. Filled containers are stacked on pallets and stored in these warehouses for transport.

The Company also rents its headquarters of approximately 1,400 square metres located in Rotterdam, the Netherlands. The headquarters houses various functions such as corporate head office, finance, business development, procurement, ICT and HR management.

### **Transportation**

The Company fully outsources distribution of its products to external transport and logistics companies. This provides the Company with the flexibility to customise its transportation arrangements to its customers' needs. Arrangements range from the Company's warehouses being part of its customer's distribution network to delivery from the Company's warehouses to the retailers directly. All transaction costs are passed on to the customers.

Some of the Company's warehouse and distribution facilities are used by its customers as a logistical hub.

### **Innovation**

The Company engages in a variety of research and development activities. These activities principally involve the development of new products, the improvement in the quality of existing products, improvement and modernisation of production processes and the development and implementation of new technologies to enhance the quality and value of both current and proposed product lines. The Company also collaborates with its customers on product development, which allows the Company to expose them to new products and technologies. As part of its innovation process, the Company closely follows market trends.

Given the necessary market and end-consumer oriented approach, the Company's innovation process is managed locally with regular coordination of new product launches on a centralised level. The larger business units employ a dedicated research and development team while the smaller business units have dedicated research and development employees as part of quality management. Research and development teams are responsible for, among other things, performing quality testing on the products, developing new technologies and processes, and introducing energy-friendly technology.

One particular area of the Company's focus is value engineering for the purpose of cost reduction. The Company constantly challenges its recipes, quality specifications used for raw and packaging materials and indirect spend. As a result, the Company sometimes changes specifications which result in lower production costs while maintaining the quality of the product within the agreed limits. Examples of value engineering include sugar reduction (for instance in producing Wicky) or sugar substitution by sucralose, and weight reduction of cans resulting in less packaging material, less resources used, less waste and lower costs.

### **Quality Management**

The Company believes that quality and safety are paramount. The Company must comply with the regulations on food and drinks production and safety. Such food and drinks safety legislation is established by a variety of EU regulations and directives as well as by a number of national laws and regulations.

#### ***Food and Drinks Health and Safety Rules***

The Company is subject to EU regulations on food and drinks health and safety. Such regulations include the so-called "hygiene package" which comprises several EU regulations. Regulation (EC) No. 178/2002 is the core regulation of the hygiene package.

#### ***Labelling Rules***

The Company is subject to certain regulations concerning the labelling of its products, in particular, Directive No 2000/13/EC on labelling, presentation and advertising of foods. As of 13 December 2014, Regulation (EU) No 1169/2011 on the provision of food information to end-consumers applies.

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<sup>62</sup> Except for the Company's production facility in Nuits St. George (France). In Nuits St. George, the Company leases two external warehouses.

### ***Packaging Rules***

The Company is subject to certain regulations concerning the quality standard applicable to materials used in the package, authorised substances used for the manufacture of materials, traceability of food contact materials and labelling, in particular Regulation (EC) No 1935/2004 of 27 October 2004 on materials and articles intended to come into contact with food.

Regarding environmental rules applicable to food packaging, the Company is subject to certain regulations concerning packaging design and packaging waste management, including Directive No 94/62/EC of 20 December 1994 on packaging and packaging waste.

### ***Compliance***

The Company's quality control and assurance programs are designed to enable it to maintain compliance with all applicable regulations regarding food and drinks production and safety. Quality control policies and procedures are strictly monitored and enforced at all of the production facilities.

Every production facility has implemented its own quality control system pursuant to EU food hygiene regulations, which are based on the principles of Hazard Analysis and Critical Control Points ("**HACCP**").

HACCP-based food safety and quality control systems involve monitoring, verifying and validating the Company's production processes to ensure they are compliant with regulatory requirements at all times.

All of the Company's production facilities are either IFS certified or, in the UK, BRC certified, with the sole exception of the Quarona Sesia site in Italy where IFS certification is planned by the end of 2016. The majority (19 of 27) of Company's production facilities are ISO 14001 certified.

The Company is committed to not making any compromises on quality. As a private label manufacturer, the Company's customers, being retailers, often demand higher standards than they would from a brand for the simple reason that the Company's customers' names are on the product (so the names of the retailers) as opposed to that of a third party brand. Accordingly, any poor quality product reflects on the retailer. The Company's customers visit its premises regularly, including with unannounced visits.

### ***Intellectual Property***

The Company manufactures soft drinks both under third party brands and under its own brands. The Company owns registrations for, or applications to register for, various trademarks that it uses in its business.

The Refresco trademark is registered in Europe and is primarily used in connection with the Company's manufacturing operations. Occasionally, depending on national and local regulations, the Refresco trademark appears on packaging for the Company's private label customers' products as an indication of where the product was manufactured.

In addition, the Company is licensed to use certain trademarks such as Fairtrade and FSC.

The Company does not believe that its business is materially dependent on any intellectual property or trade secrets.

### ***Material Agreements***

In addition to the agreements referred to in "*Operating and Financial Review – Liabilities and Indebtedness*" and "*Major Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*", the Company has entered into the following agreements within the three years immediately preceding the date of this Prospectus that are material to it as at the date of this Prospectus.

On 15 April 2013, the Company entered into a merger agreement with each of the Selling Shareholders and Pride Foods Limited in connection with the sale of Pride Foods Limited (which held the Gerber business) by Tamoa to the Company by means of a contribution of all outstanding Pride Foods Limited shares to the Company. See also "*– History and development*" above.

## **Insurance**

The Company maintains insurance coverage covering each of its production facilities. Deductibles are agreed upon if the Group deems them to be appropriate.

The Company's insurance coverage includes property damage (covering buildings, equipment, inventory/goods) and business interruption insurance covering consequential losses of profits that may occur as a result of material property damage, general and product liability insurance and pollution and remediation legal liability insurance. The Company has also taken out insurance for damages arising from business interruptions due to events such as fire, storm, explosion, storm floods, theft or burglary and malicious damage. The Company does not have business interruption insurance covering losses arising from business interruptions due to war risks, terrorism, nuclear reactions or malicious intent.

The Company provides directors' and officers' liability insurance. Members of the Executive Board, Supervisory Board and certain other officers are insured under that directors' and officers' liability insurance against damages resulting from their conduct when acting in their capacities as members or officers.

The Company believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are appropriate and standard for the Company's industry. The Company cannot, however, guarantee that it will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

## **Legal Proceedings**

At any given time, the Company may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business.

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 Group's financial position or profitability.

## **Corporate Social Responsibility and Sustainability**

The Company believes in being good corporate citizens by integrating workplace, community, market and environmental concerns into its business operations and interactions with stakeholders. In doing so, the Company seeks to create long-term benefits for its stakeholders, including employees, business relationships, customers, suppliers, the shareholders, communities and the environment. The Company's commitment to corporate responsibility is inherently apparent in its strategic business initiatives. Its aim is to continuously broaden the scope of its sustainability strategy. Key areas of quality, environment, safety, and health are managed, reported, and monitored at a local level in each country in which it operates. Furthermore, each country established a number of special sustainability initiatives, including, among others, carbon footprint reduction, waste water treatment, gas electricity production, and community programmes.

The four main focus areas of the Company are the environment, sourcing, social items and governance. As to environment, the Company aims to reduce its energy and water use, improve waste water treatment and to reduce and recycle its waste. On sourcing, the main focus points are the recyclability of packaging materials, to increase the use of recycled PET, light weighting of all packaging types, to reduce the waste in the supply chain, to focus on human rights and labour conditions in risk countries and to develop supplier sustainability programmes. The social element is mainly focused on safety, health and talent management. To ensure responsible corporate governance, a code of conduct and a whistleblowing procedure are in place.

The ambitions for 2015 to 2017 include a focus on light weighting of all packaging types, reducing energy consumption by investments in new production lines, achieving the manufacturing accident target of zero, and attention to measuring and reducing waste levels in all plants. For these years, the goals are to reduce water and energy usage by 20%, to ensure a production environment without waste or accidents and to have a higher level of recycling.

The Company established a global platform of sustainability ambassadors, including senior managers in each region in which it operates. The aim of this platform is to continuously evaluate customers' and stakeholders' requirements, to share best practices, and to integrate local sustainability programmes into the Group's operations and reporting systems. The platform will continue to develop group level performance indicators in the key areas of environment, quality, and health and safety, as well as in the related reporting systems.

Next to its operations, the Company recognises the importance of sustainable sourcing. As the Company seeks to establish and maintain lasting partnerships with suppliers and customers, it aligns operations to their requirements. That way, customers find the required support achieve their sustainable targets by evaluating and implementing alternative supply chain solutions, materials, and manufacturing processes.

## 12. MANAGEMENT, SUPERVISORY BOARD AND EMPLOYEES

Set out below is a summary of certain relevant information concerning the Executive Board, the Supervisory Board and employees as well as a brief summary of certain significant provisions of Dutch corporate law in force on the date of this Prospectus, the Articles of Association in respect of the Executive Board and the Supervisory Board and the Executive Board Rules and the Supervisory Board Rules (both as defined below). See “*Description of Share Capital and Corporate Governance*”.

This summary 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 relevant provisions of Dutch law as in force on the date of this Prospectus and the Articles of Association, the Executive Board Rules and the Supervisory Board Rules. The Articles of Association (in Dutch and in an unofficial English translation thereof) are available on the Company’s website ([www.refrescogerber.com](http://www.refrescogerber.com)). The Executive Board Rules and the Supervisory Board Rules are available on the Company’s website in their governing English language (only).

### General

The Company has a two-tier board structure consisting of the Executive Board and the Supervisory Board. The Executive Board is responsible for the day-to-day management which includes, among other things, formulating strategies and policies, and setting and achieving the Company’s objectives. The Supervisory Board supervises and advises the Executive Board. Each member of the Executive Board and Supervisory Board owes a duty to the Company to properly perform the duties assigned to such member and to act in the Company’s corporate interest. Under Dutch law, a company’s corporate interest extends to the interests of all of the company’s stakeholders, including its shareholders, creditors, employees and clients.

As of the date of this Prospectus, the provisions in the DCC that are referred to as the ‘large company regime’ (*structuurregime*) do not apply to the Company.

### Executive Board

#### *Powers, Responsibilities and Functioning*

The Executive Board is the executive body and is entrusted with the management, the strategy and the operations of the Group under the supervision of the Supervisory Board. In performing its duties, the Executive Board must carefully consider and act in accordance with the interests of the Company and the business connected with it, taking into consideration the interest of all the stakeholders of the Company (which includes but is not limited to its customers, its employees and the Shareholders).

The Executive Board is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval as more fully described below. At least once a year, the Executive Board must provide the Supervisory Board with a written report outlining the Company’s strategy, the general and financial risks faced by the Company and the Company’s management and control system.

The Executive Board may perform all acts necessary or useful for achieving the Company’s corporate purposes, except for those prohibited by law or expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association. See “– *Meetings and Decision-Making*” below.

The Executive Board as a whole is entitled to represent the Company. Additionally, each member of the Executive Board is authorised to represent the Company. See “– *Conflict of Interest*” below.

#### *Executive Board Rules*

Pursuant to the Articles of Association, the Executive Board will adopt executive board rules of procedure regarding its decision-making process and working methods (the “**Executive Board Rules**”). The Executive Board Rules will be in effect ultimately by the Settlement Date.



### ***Appointment, Dismissal and Suspension***

The Articles of Association provide that the number of members in the Executive Board is determined by the Supervisory Board after consultation with the Executive Board and taking into account that the Executive Board will consist of at least two or more members, one of whom will be the chief executive officer (CEO) and one of whom will be the chief financial officer (CFO). As of the date of this Prospectus, the Executive Board consists of two members. Only natural persons may be appointed as members of the Executive Board.

The General Meeting appoints the members of the Executive Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination by the Supervisory Board.

If the appointment of a member of the Executive Board occurs in accordance with a proposal of the Supervisory Board, the resolution of the General Meeting to appoint the relevant member of the Executive Board requires an absolute majority of the votes cast.

If the appointment of a member of the Executive Board occurs in accordance with a binding nomination by the Supervisory Board and the list of candidates contains one or more candidates for a vacancy to be filled, the resolution in respect of the proposed appointment results in the appointment of one of the candidates of the Supervisory Board, unless the binding nature of the nomination is overruled by resolution of the General Meeting, which requires an absolute majority of the votes cast representing at least one-third of the outstanding and issued share capital. If this absolute majority does not represent at least one-third of the Company's issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

The Articles of Association provide that the General Meeting may at any time suspend or dismiss a member of the Executive Board. Pursuant to the Articles of Association, a resolution of the General Meeting to suspend or dismiss a member of the Executive Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution of the General Meeting requires an absolute majority of the votes cast, which majority must represent at least one-third of the Company's issued share capital, if the suspension or dismissal has not been proposed by the Supervisory Board. If a resolution as referred to in the previous sentence is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the Company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the part of the Company's issued capital represented. The Supervisory Board may suspend, but not dismiss, a member of the Executive Board at any time. A suspension by the Supervisory Board may, at any time, be discontinued by the General Meeting.

A General Meeting must be held within three months after a suspension of a member of the Executive Board has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of three months in aggregate. The suspended Executive Board member must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the member of the Executive Board, the suspension will cease after the period of suspension has expired. A member of the Executive Board shall in principle be appointed for a period of no more than four years, on the understanding that his or her term of office terminates at the end of the next annual General Meeting to be held in the fourth year after the year of his or her appointment. A retiring member of the Executive Board may be reappointed for a term of not more than four years at a time. The Supervisory Board may draw up a rotation schedule for members of the Executive Board.

### ***Meetings and Decision-Making***

The Executive Board holds in principle one meeting every two weeks, or more (or less) often as deemed necessary or desirable for the proper functioning of the Executive Board, but not less than once a month. If no larger majority is stipulated by Dutch law or pursuant to the Articles of Association or the Executive Board Rules, the Executive Board may adopt resolutions with an absolute majority of the votes cast at the meeting. The Executive Board may also adopt resolutions without having a meeting, provided such resolutions are adopted in writing and that the proposed resolution has been submitted to both members of the Executive Board entitled to vote and none of them objects to this manner of adopting a resolution. Adoption of resolutions in writing will be effected by written statements from both members of the Executive Board in office.

Resolutions of the Executive Board identified in the Executive Board Rules 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.

Additionally, Dutch law provides that resolutions of the Executive Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting. Such changes in any event include:

- transferring (nearly) the entire business of the Company to a third party;
- entering into or terminating a long-term cooperation between the Company or a subsidiary and another legal entity or company or as fully liable partner in a limited partnership or a general partnership, if such cooperation or termination is of fundamental importance for the Company; and
- acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one third of the sum of the assets of the Company according to its balance sheet and explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet and explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary.

### ***Conflict of Interest***

Dutch law provides that a member of the management board of a Dutch public limited liability company, such as the Company after the Conversion, may not participate in the adoption of resolutions (including deliberations in respect thereof) if he or she has a direct or indirect personal interest conflicting with the interests of that company. Such a conflict of interest only exists if in the situation at hand the member of the Executive Board is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity. Pursuant to the Executive Board Rules, each member of the Executive Board must immediately report any (potential) personal conflict of interest to the chairman of the Supervisory Board and to the other members of the Executive Board and must provide all information relevant to the conflict.

If no resolution can be adopted by the Executive Board as a consequence of a conflict, the resolution concerned will be adopted by the Supervisory Board. All transactions in which there is a conflict of interest with one or more members of the Executive Board shall be agreed on terms that are customary in the sector concerned and disclosed in the Company's annual report. Decisions to enter into transactions in which there are conflicts of interest with one or more members of the Executive Board that are of material significance to the Company require the approval of the Supervisory Board. If a member of the Executive 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.

As a general rule, agreements and transactions entered into by a company based on a decision of its management board that are adopted with the participation of a board member who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest. The existence of a (potential) personal conflict of interest does not affect the authority to represent the Company, as described under “– *Powers, Responsibilities and Functioning*” above.

### ***Members of the Executive Board***

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

| Name                  | Date of birth | Position                | Term | Member since |
|-----------------------|---------------|-------------------------|------|--------------|
| J.H.W. (Hans) Roelofs | 13-09-1963    | Chief Executive Officer | 2019 | 2007         |
| A.C. (Aart) Duijzer   | 16-07-1963    | Chief Financial Officer | 2017 | 2000         |

The Company's registered address (Fascinatio Boulevard 270, 3065 WB, Rotterdam, the Netherlands: see “*Description of Share Capital and Corporate Governance – General*”) serves as the business address for all members of the Executive Board.

#### ***J.H.W. (Hans) Roelofs***

Prior to being appointed CEO of the Company, Mr Roelofs (a Dutch national) was CEO of Refresco Group B.V. before its combination with Gerber. He joined Refresco Group B.V. in March 2007 and since then has driven rapid growth with seven successive acquisitions. Before joining Refresco Group B.V., Mr Roelofs was CEO of Dumeco, a private label meat producer and processor and supervisory board member of Hoogwegt Group B.V. He started his career at Nutreco, rising to managing director of the Agri Food business. Mr Roelofs is a graduate of Wageningen University, the Netherlands.

*A.C. (Aart) Duijzer*

Mr Duijzer (a Dutch national) was the CFO of Refresco Group B.V. before its combination with Gerber and one of the founders of the Group. Prior to joining Refresco in 2000, Mr Duijzer worked as Finance Director of the Continental European division of Hazlewood Foods plc. Mr Duijzer started his career at KPMG and holds a Master's degree in business economics from the Erasmus University in Rotterdam, the Netherlands. He is a Dutch chartered accountant.

## **Supervisory Board**

### ***Powers, Composition and Functioning***

The Supervisory Board supervises the management of the Executive Board and the general course of affairs of the Company and the business connected with it. The Supervisory Board also provides advice to the Executive 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 the Company's stakeholders 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.

The Supervisory Board has drawn up a profile for its size and composition taking into account the nature of the Company's business, the Supervisory Board's activities and the desired expertise and background of the members of the Supervisory Board. The Supervisory Board must discuss the profile at the occasion of its adoption and must subsequently discuss it with each amendment thereof in the General Meeting.

### ***Supervisory Board Rules***

Pursuant to the Articles of Association, the Supervisory Board will adopt rules regarding its decision-making and its working method (and that of its committees as described below) (the "**Supervisory Board Rules**"). The Supervisory Board Rules will be in effect ultimately on the Settlement Date.

### ***Appointment, Dismissal and Suspension***

The Articles of Association provide that the Supervisory Board must consist of a minimum of three members, with the number of supervisory directors to be determined by the Supervisory Board. As of the date of this Prospectus, the Supervisory Board consists of eight members. Only natural persons may be appointed as members of the Supervisory Board.

The General Meeting appoints the members of the Supervisory Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination by the Supervisory Board. If the appointment of a member of the Supervisory Board occurs in accordance with a proposal of the Supervisory Board, the resolution of the General Meeting to appoint the relevant member of the Supervisory Board requires an absolute majority of the votes cast.

If the appointment of a member of the Supervisory Board occurs in accordance with a binding nomination by the Supervisory Board and the list of candidates contains one or more candidates for a vacancy to be filled, the resolution in respect of the proposed appointment results in the appointment of one of the candidates of the Supervisory Board, unless the binding nature of the nomination is overruled by a resolution of the General Meeting, which requires an absolute majority of the votes cast representing at least one-third of the Company's issued share capital. If this absolute majority does not represent at least one-third of the Company's issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

Pursuant to the Relationship Agreement between the Company and the Shareholders, each of Ferskur, Tamoa and the 3i Shareholders will have the right to designate for nomination and propose replacements for a certain number of Supervisory Board positions. For more information, see "*Major Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*".

The Articles of Association provide that each member of the Supervisory Board shall be appointed for a maximum period of four years. The members of the Supervisory Board must retire periodically in accordance

with a rotation plan drawn up by the Supervisory Board. A member's term of office shall not lapse later than on the day after the first General Meeting to be held during the fourth year after the year of such member's appointment. A member of the Supervisory Board may be re-appointed for a total of three four-year terms. The Supervisory Board appoints a chairman and a vice-chairman from among its members.

The Articles of Association provide that the General Meeting has the authority to suspend and dismiss a member of the Supervisory Board at any time. Under the Articles of Association, a resolution of the General Meeting to suspend or dismiss a member of the Supervisory Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution of the General Meeting requires a majority of the votes cast, which majority must represent at least one-third of the Company's issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board. If a resolution as referred to in the previous sentence is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the Company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the part of the Company's issued capital represented.

A General Meeting must be held within three months after a suspension of a member of the Supervisory Board has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of three months in aggregate. The suspended Supervisory Board member must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the member of the Supervisory Board, the suspension will cease after the period of suspension has expired.

### ***Meetings and Decision-Making***

The Supervisory Board holds at least six meetings per year, or more often as deemed necessary or desirable by one or more members of the Supervisory Board or the Executive Board. If no larger majority is stipulated by Dutch law or pursuant to the Articles of Association or the Supervisory Board Rules, the Supervisory Board may adopt resolutions with an absolute majority of the votes cast at the meeting.

The Supervisory Board is only entitled to make decisions if at least half of its members are present or represented. In the event of a tie in voting, the chairman will have a deciding vote, but only if more than two members of the Supervisory Board are present.

The Supervisory Board may also adopt resolutions without having a meeting, provided such resolutions are adopted in writing and that the proposed resolution has been submitted to all members of the Supervisory Board entitled to vote, none of them opposes this manner of adopting a resolution and the majority of such members have voted in favour of the proposed resolution. At the first meeting of the Supervisory Board held after members of the Supervisory Board adopt a resolution without a meeting, the chairman of the meeting will communicate the result of the voting.

### ***Conflict of Interest***

Similar to the rules that apply to the Executive Board as described above, Dutch law also provides that a supervisory director of a Dutch public company with limited liability, such as the Company (after the Conversion), may not participate in the adoption of resolutions (including deliberations in respect thereof) if he or she has a direct or indirect personal interest conflicting with the interests of that company.

Each member of the Supervisory Board (other than the chairman of the Supervisory Board) must immediately report any (potential) personal conflict of interest to the chairman of the Supervisory Board and must provide him with all information relevant to the (potential) conflict. In case the chairman of the Supervisory Board has a (potential) personal conflict of interest, he or she must immediately report such potential conflict to the vice-chairman of the Supervisory Board and must provide all information relevant to the (potential) personal conflict of interest. If both the chairman and the vice-chairman of the Supervisory Board have a (potential) personal conflict of interest with respect to the same matter, they will report and provide information to one of the other members of the Supervisory Board.

If as a result of such a personal conflict of interest all members of the Supervisory Board are unable to participate in the deliberations and the decision-making process and no resolution of the Supervisory Board can be adopted, the resolution may be adopted by the General Meeting.

All transactions in which there are conflicts of interests with the members of the Supervisory Board will be agreed on terms that are customary in the sector concerned and will be disclosed in the Company's annual report.

### ***Members of the Supervisory Board***

At the date of this Prospectus, the Supervisory Board comprises the following eight members:

| <b>Name<sup>63</sup></b>   | <b>Date of birth</b> | <b>Position</b> | <b>Date of possible reappointment (at General Meeting)</b> |
|----------------------------|----------------------|-----------------|------------------------------------------------------------|
| I. (Ioannis) Petrides*     | 08-04-1958           | Chairman        | 2017                                                       |
| A.A. (Aalt) Dijkhuizen*    | 29-07-1953           | Vice-chairman   | 2019                                                       |
| S.B. (Sean) Gorvy          | 24-01-1963           | Member          | 2018                                                       |
| P.A. (Pieter) de Jong      | 01-02-1964           | Member          | 2017                                                       |
| T.M. (Thorsteinn) Jonsson  | 18-02-1963           | Member          | —                                                          |
| H.T. (Hilmar) Kristinsson  | 11-06-1971           | Member          | 2017                                                       |
| N.J. (Nicholas) Schoenfeld | 24-09-1970           | Member          | —                                                          |
| J. (Jon) Sigurdsson        | 18-03-1978           | Member          | 2018                                                       |

Effective upon the Settlement Date, Mr T.M. Jonsson and Mr N.J. Schoenfeld will resign and Mr T. de Kool will be appointed as independent member of the Supervisory Board.

The Company's registered address (Fascinatio Boulevard 270, 3065 WB, Rotterdam, the Netherlands: see "*Description of Share Capital and Corporate Governance – General*") serves as the business address for all members of the Supervisory Board.

#### ***I. (Ioannis) Petrides***

Mr Petrides (a Cyprus national) has been Chairman of the Refresco Supervisory Board since 1 January 2013 and he has retained this role within the Company. Mr Petrides has broad experience in the FMCG and soft drinks industries. He also served as vice chairman of the board of directors of Campofrio Food Group until 2014 and serves as vice chairman of the board of Largo (Wind Telecoms) and is a member of the Board of Puig. Mr Petrides worked for Pepsico until 2010. Mr Petrides obtained a Master's degree in Economics and Political Science from Cambridge University in 1982 and a Master's degree in Business Administration from Harvard University in 1984.

#### ***A.A. (Aalt) Dijkhuizen***

Mr Dijkhuizen (a Dutch national) has been a member of the Refresco Supervisory Board since October 2008. He is also member of the supervisory board of Incotec, member of the supervisory board of NPO, member of the international advisory board of Hendrix Genetics, member of the advisory board of Agri Investment Fund, chairman of the supervisory board of the Arnhem Philharmonic Orchestra, chairman of the steering committee of the Dutch Alliance for Sustainable Food, member of the supervisory board of Royal De Heus Animal Nutrition, president of the Dutch Topsector Agri & Food, extraordinary member of the Dutch Safety Board, co-director of the Holland Center in Shanghai and member of the supervisory board of Van Hessen Group. Furthermore, he was president and chairman of Wageningen UR (University & Research Center) in the Netherlands between 2002 and 2013. During the 1990s, he was a professor at the same university, specialising in animal health. Between 1998 and 2002, Mr Dijkhuizen worked for Nutreco as Managing Director of the Business Group Agri Northern Europe. Mr Dijkhuizen holds a B.Sc and M.Sc degree in Agricultural Economics from Wageningen University (1977) and a PhD in Animal Health Economics at the Veterinary Faculty from Utrecht University (1983).

#### ***S.B. (Sean) Gorvy***

Mr Gorvy (a South African national) joined the Refresco Gerber Supervisory Board at the time of the combination between Refresco and Gerber and is a member of the Company's remuneration committee. He is chief executive of Hanover Acceptances Limited, an entity that owns 100% of Tamoa, and has been a member of the Hanover Acceptances Limited board since 1997. Furthermore, he holds directorships at Tamoa Limited, Dorrington PLC, Fresh Capital Group Limited and African Realty Trust (PTY) Limited. Until 2013, Mr Gorvy also held directorships at Pride Foods Limited, Gerber Emig Group Limited and Pak Gayrimenkul Gelistirme ve

<sup>63</sup> Members marked with "\*" are independent members within the meaning of the Dutch Corporate Governance Code.



Danismanlik Anonim Sirketi. Prior to working within the Hanover Acceptances Group, Mr Gorvy spent five years with Morgan Stanley's real estate, corporate finance, and M&A departments. He has a BA (Hons) degree from the University of Durham and a PhD in political economics from Cambridge University.

*P.A. (Pieter) de Jong*

Mr de Jong (a Dutch national) has been a member of the Refresco Supervisory Board since May 2010 and serves as chairman of the remuneration and nomination committee. Mr de Jong is also partner and managing director of 3i Europe plc Benelux, an affiliate of the 3i Shareholders, and acts as advisor to the 3i Shareholders. Mr de Jong is also member of the supervisory board of Miktom TopCo B.V. and shareholder of Finly Investments B.V. Until 2010, Mr de Jong was member of the board of Kneip Communication SA (LUX). Mr de Jong holds a BBA from Nyenrode Business University and an MBA in Finance from Georgia State University.

*T.M. (Thorsteinn) Jonsson*

Mr Jonsson (an Icelandic national) has been a member of the Supervisory Board since May 2006 and he currently holds a directorship at Ferskur. Mr Jonsson was operator and owner of Vifilfell, the leading soft drinks bottler in Iceland from 1996 to 2011. Before working for Vifilfell he worked for the Federation of Icelandic Industries and for the Central Bank of Iceland as an economist. Mr Jonsson was also a chairman of the board of directors of Glitnir hf. Mr Jonsson earned a Cand.Oecon degree from the University of Iceland and an MA degree in Economics from Northwestern University.

*T. (Theo) de Kool*

Mr De Kool (a Dutch national) is appointed as a member of the Supervisory Board as per the Settlement Date. Currently, Mr de Kool is also a member of the supervisory board of Van Gansewinkel Groep and the vice chairman of the executive board of Blokker Holding. He has also served as CFO/finance director of Blokker Holding and as a member of Blokker Holding's supervisory board. Furthermore, Mr De Kool was CFO of Sara Lee Corporation based in Chicago, member of the executive board and supervisory board of Sara Lee/DE and recently Mr De Kool was a director and CFO and subsequently CEO of Univeg group in Belgium. Mr De Kool received his M.Sc. in Economics from Erasmus University Rotterdam and finished studies at Nyenrode Business University.

*H.T. (Hilmar) Kristinsson*

Mr Kristinsson (an Icelandic national) has been a Member of the Refresco Supervisory Board since August 2009 and serves as chairman of the Company's audit committee. He is also the vice-chairman of the supervisory board member of Norvestia Oy, a listed Finnish investment company, has been senior director of asset management of Kaupthing and holds directorships at Haukping ehf. and Kaupskil ehf. In addition, Mr Kristinsson is Kaupthing's designated director on the board of directors of Ferskur. Furthermore, until 2011, Mr Kristinsson held a directorship at BG Equity 1 ehf. Mr Kristinsson holds a Cand.Oecon (Economics) from the University of Iceland and is an EEA licenced securities broker.

*N.J. (Nicholas) Schoenfeld*

Mr Schoenfeld (a British national) joined the Refresco Gerber Supervisory Board at the time of the merger between Refresco and Gerber. He is a board member and currently chief financial officer of Telecom Plus PLC. In addition, he holds directorships at Gas Plus Supply Limited, Electricity Plus Supply Limited and Telecommunications Management Limited. He was previously a board member and group finance director of Hanover Acceptances Limited and he also held directorships at Dorrington PLC, Fresh Capital Group Limited, Tamoa Limited and Gerber Emig Limited. Prior to joining Hanover Acceptances in 2006, Mr Schoenfeld was at Kingfisher plc. Before this, he was director of strategy and development at Castorama, the French retail chain. Mr Schoenfeld has also held corporate development roles at the Walt Disney Company and was a management consultant at the Boston Consulting Group. Mr Schoenfeld has a BA (Hons) degree in Mathematics from Oxford University and an MBA from the Harvard Business School.

*J. (Jon) Sigurdsson*

Mr Sigurdsson (an Icelandic national) has been a member of the Refresco Supervisory Board since April 2009. Currently, he is a partner at GAM Management ehf., managing director of Helgafell ehf., managing director of



Helgafell eignarhaldsfelag ehf. and board member of N1 hf. He also serves as chairman and managing director of Straumnes Ráðgjöf ehf., and chairman and managing director of Straumnes eignarhaldsfelag ehf. Previously, Mr Sigurdsson was employed by Stoðir hf. from 2005 to 2010 (as managing director from 2007 to 2010) and prior to that worked for Landsbanki Íslands hf. and Búnaðarbanki Íslands hf. (which merged with Kaupthing Bank 2003). He received his B.Sc in Business Administration from Reykjavík University.

## **Committees**

The Supervisory Board currently has a remuneration and nominating committee (the “**Remuneration and Nominating Committee**”) and an audit committee (the “**Audit Committee**”). The function of these committees is to assist in the decision-making of the Supervisory Board.

### *Remuneration and Nominating Committee*

According to the charter of the Remuneration and Nominating Committee, the responsibilities of the Remuneration and Nominating Committee include: (i) making a proposal for the remuneration policy to be pursued; (ii) making a proposal for the remuneration of the individual members of the Executive Board and the Company’s country managers, for adoption by the General Meeting of Shareholders and/or the Supervisory Board, which proposal contains at least (a) the remuneration structure, (b) the level of fixed remuneration, (c) the number of Shares, share options, and other variable remuneration, (d) pension rights, (e) and other remuneration of the individual Executive Board members; (iii) evaluating and approving the remuneration and nominating report prepared by the Company; (iv) drawing up selection criteria and appointment procedures for Executive Board members, Supervisory Board members and the Company’s country managers; (v) periodically assessing the size and composition of the Executive Board and the Supervisory Board and making a proposal for a Supervisory Board members’ profile; (vi) periodically assessing the functioning of Executive Board members, Supervisory Board members and the Company’s country managers, and reporting on this to the Supervisory Board; (vii) making proposals for appointments and reappointments; (viii) monitoring the policy of the Executive Board regarding the selection criteria and appointment procedures for the Company’s country managers; (ix) annually evaluating the set-up of the organisation and the division of tasks and responsibilities as described in the management charter; (x) periodically discussing and evaluating management development and succession planning procedures within the Company; and (xi) being available to be consulted by the Company’s country and other managers in case they object to a decision of the Executive Board regarding remuneration and nominating related issues, and resolving such issues or referring them for resolution to the Supervisory Board.

The Remuneration and Nominating Committee must hold at least two meetings per year and whenever one or more of its members have requested a meeting.

The members of the Remuneration and Nominating Committee are appointed by and from the Supervisory Board for a maximum of four years. The Remuneration and Nominating Committee should be composed of at least three members. After the Settlement Date, the Remuneration and Nominating Committee will be composed of Messrs A.A Dijkhuizen (chairman), S.B. Gorvy and J. Sigurdsson.

The charter of the Remuneration and Nominating Committee is available in electronic form on the Company’s website at [www.refrescogerber.com](http://www.refrescogerber.com).

### *Audit Committee*

According to the charter of the Audit Committee, the Audit Committee focuses on assisting, preparing and supervising the activities of the Executive Board with respect to: (i) the structure and the operation of the internal risk management and control systems; (ii) the provision of financial information by the Company; (iii) compliance with recommendations and observations of internal and external auditors; (iv) the role and functioning of the internal and external audit function; (v) the policy of the Company on tax planning; (vi) relations with the external auditor, including its nomination, determining its remuneration and handling any conflicts of interest between the external auditor and the Company and its subsidiaries; (vii) the financing of the Company; and (viii) the applications of information and communication technology.

The Audit Committee must hold at least two meetings per year and whenever one or more of its members have requested a meeting.

The members of the Audit Committee are appointed by, and from, the Supervisory Board for a maximum of four years. The Audit Committee should be composed of at least three members. As per the Settlement Date, the Audit Committee will be composed of Messrs T. de Kool, (chairman), H.T. Kristinsson and I. Petrides.

The charter of the Audit Committee is available in electronic form on the Company's website at [www.refrescogerber.com](http://www.refrescogerber.com).

### **Limitation of Supervisory Positions**

Dutch legislation came into force on 1 January 2013 limiting the number of supervisory positions to be occupied by managing directors or supervisory directors (including non-executive directors on a one-tier board of "large Dutch companies"). The term "large Dutch company" applies to any Dutch public limited liability company, Dutch private company with limited liability or Dutch foundation which, on the basis of its consolidated financial results, meets at least two of the following criteria: (i) the value of its assets, according to its balance sheet (together with explanatory notes) on the basis of their acquisition price and production costs, is more than EUR17.5 million; (ii) its net turnover in the applicable year is more than EUR35 million; and (iii) the average number of employees in the applicable financial year is at least 250.

The new rules provide that a person cannot be appointed as a managing or executive director if he or she already holds a supervisory position at more than two other "large Dutch companies" or if he or she is the chairman of the supervisory board or one-tier board of another "large Dutch company".

The new rules furthermore provide that a person cannot be appointed as a member of the supervisory board or non-executive director of a "large Dutch company" if he or she already holds five or more positions as a member of a supervisory board or non-executive director at other "large Dutch companies", whereby the position of chairman of the supervisory board or one-tier board of another "large Dutch company" is counted twice.

An appointment in violation of these restrictions will result in that 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.

These rules only apply when a company qualifies as a "large Dutch company" at two consecutive balance sheet dates.

The members of the Executive Board and Supervisory Board comply with these rules because, among other things, none of them holds five or more of such positions at other "large Dutch companies".

### **Diversity Policy**

Dutch legislation came into force on 1 January 2013 requiring large Dutch companies (see above for the explanation of this term) to pursue a policy of having at least 30% of the seats on both the management board and the supervisory board to be held by men and at least 30% of those seats to be held by women. This allocation of seats will be taken into account in connection with the following actions: (i) the appointment, or nomination for the appointment, of executive directors and supervisory or non-executive directors; (ii) drafting the criteria for the size and composition of the supervisory board or one-tier board, as well as the designation, appointment, recommendation and nomination for appointment of supervisory or non-executive directors; and (iii) drafting the criteria for the supervisory or non-executive directors. Pursuant to Dutch law, if a large Dutch company does not comply with the gender diversity rules, it will be required to explain in its annual report: (a) why the seats are not allocated in a well-balanced manner; (b) how it has attempted to achieve a well-balanced allocation; and (c) how it aims to achieve a well-balanced allocation in the future. This rule is temporary and will cease to have effect on 1 January 2016.

### **Potential Conflicts of Interest and Other Information**

The Company is not aware of any potential conflicts between the personal interests or other duties of members of the Executive Board or the Supervisory Board on the one hand and the interests of the Company on the other hand. There is no family relationship between any member of the Executive Board and the Supervisory Board.

The Company is aware of the fact that Mr Roelofs and Mr Duijzer indirectly hold Shares through Okil, which is a Selling Shareholder and that Refresco B.V. granted a loan of EUR2.1 million to Raven Management B.V., which company is owned by Messrs Duijzer and Roelofs and indirectly holds 1.03% of the Company's shares (see "*Major Shareholders and Related Party Transactions*"), that Messrs Hilmar Kristinsson and Jon Sigurdsson have been designated as member of the Supervisory Board by Ferskur, that Mr Sean Gorvy has been designated as member of the Supervisory Board by Tamoia (and continues to hold positions at Tamoia and/or any holding

company of Tamoia), and that Mr Pieter de Jong has been designated as member of the Supervisory Board by the 3i Shareholders (and continues to hold positions at 3i Europe plc Benelux). Since each of them has been designated by a Selling Shareholder and the interests of the Selling Shareholders do not have to be aligned with the interests of the Company (see “*Major Shareholders and Related Party Transactions*”), a conflict of interest might arise. The Supervisory Board does not expect that this will cause either of them to have a conflict with the duties they have towards the Company. However, the Supervisory Board Rules include arrangements to ensure that the Supervisory Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. The Supervisory Board will procure that relevant transactions, in relation to which it has been determined that a conflict of interest exists, are published in the annual report. 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 Executive Board and private interests or other duties of members of the Supervisory Board towards the Company.

During the last five years, none of the members of the Executive Board or of the Supervisory Board: (i) has been convicted of fraudulent offenses; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation (other than as set out below in respect of Messrs Jonsson and Sigurdsson); or (iii) 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.

Mr Jonsson was a member of the board of directors of the Icelandic bank Glitnir from 30 April 2007 until 20 February 2008. Mr Sigurdsson was a member of the board of directors of the Icelandic bank Glitnir from September 2006 until the bank was placed into administration in October 2008. Later, a court-appointed wind-up committee assumed control of the Glitnir estate. Each of Messrs Jonsson and Sigurdsson, in their capacity as (former) directors of Glitnir, have been the subject of claims and investigations that relate to the wind-up proceedings of Glitnir. Specifically, they are named defendants in a civil suit brought by the Glitnir wind-up board in Iceland in February 2012 pursuant to which it is alleged that the members of the board of directors of Glitnir (including Messrs Jonsson and Sigurdsson) failed to satisfy their fiduciary duties as directors in connection with certain lending decisions (which were taken in meetings from which they have said they excused themselves and thus did not participate in) taken by Glitnir. In relation to this matter, the Glitnir wind-up board communicated to the Icelandic Special Prosecutor in April 2013 that it was of the opinion that the board of directors may have breached the Icelandic Law of Financial Undertakings and the Icelandic Special Prosecutor responded in November 2013 that it would open a criminal investigation into the matter. Messrs Jonsson and Sigurdsson, to date, have not been designated as suspects in such investigation. Proceedings in the civil suit were suspended pending this investigation. There have been no charges brought forward by the Icelandic Special Prosecutor and, to Messrs Jonsson’s and Sigurdsson’s knowledge, no material developments in this investigation since the Icelandic Special Prosecutor’s initial response to the wind-up board in November 2013. In another matter the Icelandic Special Prosecutor has informed Mr Sigurdsson that it is investigating alleged wrongdoing in relation to a restructuring of collateral related to Glitnir’s lending activity in 2008 to a company Mr Sigurdsson was the managing director of, and Mr Sigurdsson involvement in this alleged wrongdoing.

Each of Messrs Jonsson and Sigurdsson denies any wrong-doing and intends to vigorously defend his position in these cases if any charges are formally brought and will similarly continue to defend his position in the civil matter if the suspension is lifted.

Mr Jonsson was a member of the board of directors of Stodir and Mr Sigurdsson was a managing director of Stodir which was placed into administration in October 2008. Stodir came out of administration in June 2009 after it reached a composition agreement with its creditors.

Other than is disclosed in “*Major Shareholders and Related Party Transactions-Related Party Transactions – Relationship Agreement*”, the Company is not aware of any arrangement or understanding with major Shareholders, suppliers, customers or others pursuant to which any member of the Executive Board or Supervisory Board was selected as a member of such management or supervisory bodies of the Company.

## **Remuneration**

It is expected that the Executive Board remuneration policy will be determined by the General Meeting upon written proposal of the Supervisory Board prior to Settlement. The remuneration of, and other agreements with, the members of the Executive Board are required to be determined by the Supervisory Board, with due

observance of the remuneration policy. The Supervisory Board must, in respect of the arrangements of remuneration of the Executive 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 members of the Executive Board and which criteria apply to the granting or amendment, see “*Executive Board Remuneration – Long-Term Incentive Plan*” below.

### ***Executive Board Remuneration***

The Company’s remuneration policy aims to attract and retain highly qualified individuals and reward them with a remuneration package that focuses on delivering sustainable performance in line with the long-term business strategy of the Company.

The total ‘at-target’ remuneration of the members of the Executive Board is set between the median and upper quartile remuneration levels within a relevant employment market peer group of comparable national and international companies. The total ‘at-target’ remuneration also reflects the expected growth of the Company pursuant to its strategy.

Based on the remuneration policy, the remuneration of the members of the Executive Board consists of the following components:

- annual base pay;
- short-term incentive;
- long-term incentive; and
- pension and other benefits.

#### ***Annual base pay***

The annual base pay of the members of the Executive Board will be set between the median and upper quartile remuneration levels of the selected peer group. Consistent with this position, the current level of annual base pay remains unadjusted for the current members of the Executive Board.

#### ***Short-term incentive***

A short term incentive is applicable to the members of the Executive Board. This incentive is intended to focus them on the delivery of short-term results in line with the Company’s strategy. For a transitory period, the members of the Executive Board will continue to be entitled to an ‘at target’ short-term incentive of 100% of annual base pay for the years 2015 and 2016. Depending on the actual performance, a performance incentive zone of 0%-150% of the short term incentive is applicable, allowing for a maximum pay-out of 150% of annual base pay. As from 2017, the members of the Executive Board will be entitled to an ‘at target’ short-term incentive of 60-65% of annual base pay. Depending on the actual performance, a performance incentive zone of 0%-150% of the short term incentive is applicable, allowing for a maximum pay-out of 100% of annual base pay.

The members of the Executive Board continue to qualify for the 25% synergy bonus over their annual base pay in 2015 pursuant to their current employment contracts.

The performance conditions and thresholds applicable to the short-term incentive are determined annually by the Supervisory Board. These performance conditions concern both financial performance targets and non-financial targets consistent with the Company strategy.

#### ***Long-term incentive***

Selected employees, including members of the Executive Board, may be invited to receive a conditional award of Shares. The purpose of the long-term incentive plan is to foster alignment between management and the Shareholders and to focus management on the delivery of sustainable performance. Awarded conditional Shares will vest at the end of a three-year performance period subject to the achievement of predetermined financial targets and continued employment or engagement to the Group.

The ‘at target’ value of long-term incentive awards made to members of the Executive Board amounts to 60-65% of annual base pay. Depending on the actual performance delivered, the number of Shares that vests at the end of the performance period may vary between 0%-200% of the number of conditionally awarded shares at the award date.

The performance conditions and thresholds applicable to the long-term incentive are determined annually by the Supervisory Board. These performance conditions concern both financial performance targets and non-financial targets in line with the Company strategy.

Consistent with the best-practice principles of the Dutch Corporate Governance Code, members of the Executive Board will apply an additional two-years holding period in respect of the vested Shares. Notwithstanding this extended holding period, members of the Executive Board are allowed to sell such number of Shares to cover any taxes due in respect of the vesting of the conditional Shares.

During the transitory period until 31 December 2016, the members of the Executive Board are not entitled to any conditional shares, but the performance conditions and thresholds for 2017 apply to them, as a result of which they can be awarded conditional shares in 2017.

#### *Pension and other benefits*

The Company maintains a number of collective pension schemes including defined benefit and defined contribution plans. Members of the Executive Board are enrolled in the collective average pay defined benefit pension scheme as applicable in the Netherlands.

The Company may provide a company car to members of the Executive Board and the Company may also pay the premiums of a medical insurance of members of the Executive Board in line with their current employment agreements.

The Company will arrange for and pay a directors and officers (D&O) liability insurance for the members of the Executive Board.

#### *Severance*

In line with their current employment agreements, the maximum severance payment applicable to members of the Executive Board amounts to one year base pay for Mr Roelofs and EUR1 million gross for Mr Duijzer.

#### *Retention bonus pool*

To promote retention of the members of the Executive Board and selected key staff of the Company and to safeguard the ability of the Company to deliver on the growth strategy following the Offering, a total retention bonus pool of EUR3.75 million is made available by the Company of which EUR 1.1 million is reserved for the Executive Board. Individual awards are made at the discretion of the Supervisory Board and bonuses are paid in two annual instalments following the Offering, subject to continued employment with the Group.

#### *Clawback*

The remuneration policy is intended to provide for an attractive, market competitive remuneration package where sustainable performance is delivered. Reward for failure should in all cases be avoided. For the members of the Executive Board this means that the Supervisory Board has the discretionary authority to adjust actual pay-outs under both the short-term incentive and the long-term incentive where the outcomes are not considered a fair representation of actual performance delivered.

Furthermore, where pay-outs have been made based upon incorrect financial and other data, the Supervisory Board has the discretion to decide to claw-back any pay-outs made or Shares delivered under the incentives schemes.

If a variable remuneration component conditionally awarded in a previous financial year would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the Supervisory Board has the power to adjust the value downwards or upwards.

#### ***Executive Board Remuneration in 2014***

The aggregate amount of remuneration of the members of the Executive Board for the financial year ended 31 December 2014 comprised short-term employee benefits amounting to EUR3.0 million and post-employment benefits amounting to EUR0.2 million, in total EUR3.2 million.



### ***Supervisory Board Remuneration***

The General Meeting determines the remuneration of the members of the Supervisory Board. The Supervisory Board periodically submits proposals to the General Meeting in respect of the remuneration of the Chairman and the other members of the Supervisory Board. The remuneration of the Supervisory Board may not be made dependent on the Company's results.

Mr I. Petrides is entitled to an amount of EUR300,000 payable by the Company if the Offering is successful.

### ***Supervisory Board Remuneration in 2014***

The aggregate remuneration of the Supervisory Board for the financial year ended 31 December 2014 amounted to EUR0.5 million.

### ***Adjustments to Variable Remuneration***

Pursuant to Dutch law and the Dutch Corporate Governance Code, the remuneration of members of the Executive Board may be reduced or they may be obliged to repay (part of) their variable remuneration to the Company if certain circumstances apply.

Pursuant to the Dutch Corporate Governance Code, any variable remuneration component conditionally awarded to a member of the Executive Board in a previous financial year which would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been applied, the Supervisory Board will have the power to adjust the value downwards or upwards. In addition, the Supervisory Board will have the authority under the Dutch Corporate Governance Code and Dutch law to recover from a member of the Executive Board any variable remuneration awarded on the basis of incorrect financial or other data (claw back).

Pursuant to Dutch law, the Supervisory Board may furthermore adjust the variable remuneration (to the extent that it is subject to reaching certain targets and the occurrence of certain events) to an appropriate level if payment of the variable remuneration is unacceptable according to the requirements of reasonableness and fairness. In addition, Dutch law prescribes that, in case the value of the Shares granted by the Company to the respective members of the Executive Board increases during a period in which a public offer is made for the Shares, the remuneration of that respective member 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 intendeds to enter into certain transactions that are of such significance to the Company that the Executive Board requires the approval of the General Meeting pursuant to Dutch law.

### **Shareholdings**

The number of Shares held by the Executive Board members as of the date of this Prospectus is set out in the table below:

| Shareholder                   | Amount of Share Capital Owned      |                                    |
|-------------------------------|------------------------------------|------------------------------------|
|                               | Number/class of shares             | Percentage of issued share capital |
| J.H.W. Roelofs <sup>(1)</sup> | 13,850,474 class A ordinary shares | 2.33%                              |
| A.C. Duijzer <sup>(2)</sup>   | 15,751,117 class A ordinary shares | 2.65%                              |

- (1) J.H.W. Roelofs (indirectly) owns 25.04% of the shares in Okil which in turn owns 55,315,600 class A ordinary shares in the Company's capital. See also "*Major Shareholders and Related Party Transactions – Holdings immediately prior to and after the Offering*".
- (2) A.C. Duijzer (indirectly) owns 28.475% of the shares in Okil which in turn owns 55,315,600 class A ordinary shares in the Company's capital. See also "*Major Shareholders and Related Party Transactions – Holdings immediately prior to and after the Offering*".

At the date of this Prospectus, none of the current members of the Supervisory Board owns any Shares or options on Shares.



## Employment Agreements

As of the date of this Prospectus, the current members of the Executive Board are employed by Refresco B.V. The terms and conditions of employment are governed by Dutch employment law. The members of the Supervisory Board do not have an employment, service or severance contract with the Company.

## Liability and Insurance of the Members of the Executive Board and the Supervisory Board

### Liability

Under Dutch law, members of the Executive 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 Executive 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 Executive Board, against any and all liabilities, claims, judgments, fines and penalties incurred by the relevant (former) member as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, of or initiated by any party other than the Company itself or a group company thereof, in relation to any acts or omissions in or related to his capacity as a (former) member. Claims will include derivative actions of or initiated by the Company or a group company thereof against the relevant (former) member and (recourse) claims by the Company itself or a group company thereof for payments of claims by third parties if the relevant (former) member will be held personally liable therefore.

There will, however, be no entitlement to indemnification with respect to claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which the relevant (former) member of the Executive Board or Supervisory Board was not legally entitled, or if the relevant (former) member has been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).

## Employees

The table below provides an overview of the numbers of employees the Group employed, subdivided per key country/region, as at 31 December of each relevant year. These numbers are measured in full-time equivalents of the Group's employees ("FTEs").

| Geographic Subdivision of Employees Measured in FTEs ( <i>unaudited</i> ) | FY 2014      | FY 2013      | FY 2012      |
|---------------------------------------------------------------------------|--------------|--------------|--------------|
| Benelux <sup>(1)</sup>                                                    | 677          | 657          | 656          |
| Germany                                                                   | 858          | 1,200        | 601          |
| France                                                                    | 673          | 649          | 545          |
| UK                                                                        | 697          | 887          | 99           |
| Spain                                                                     | 243          | 398          | 350          |
| Italy                                                                     | 404          | 419          | 399          |
| North and Eastern Europe                                                  | 458          | 495          | 359          |
| <b>Total</b>                                                              | <b>4,011</b> | <b>4,704</b> | <b>3,009</b> |

(1) Includes FTEs employed by the holding.

## **Employees and Pension Obligations Schemes**

The Group operates a number of pension plans including defined benefit plans. The characteristics of such pension plans differ per jurisdiction.

The Company operates a number of pension plans including both defined benefit and defined contribution plans. The Group operates defined benefit plans in the Netherlands, the UK, Germany, France and Italy. The Group operates defined contribution plans in the UK, Finland and Germany. A defined contribution plan is a pension plan under which an entity pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund should not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

In addition to operating its own pension arrangements, the Group participates in the industry-wide defined benefit pension plan for the drinks industry in the Netherlands. Although this arrangement provides benefits on a defined benefit basis, the entities participating in the pension plan are unable to identify their share of the underlying assets and liabilities and the plan is therefore accounted for on a defined contribution basis by expensing the cash contributions paid each year.

As at 31 December 2014, the total IFRS deficit amounts to EUR34.7 million which can be split into (i) a deficit in respect of funded schemes of EUR21.9 million and (ii) a deficit in respect of unfunded schemes of EUR12.8 million. The expected service cost in respect of the defined benefit schemes is EUR4 million for 2015. The expected employer cash contributions for 2015 are approximately EUR6.7 million. One defined benefit plan in the Netherlands is considered a defined contribution plan for accounting purposes under IFRS.

## **Employee Participation Plan**

As soon as reasonably practicable following the Offering, the Company intends to implement an employee participation plan in order to support ownership of Shares by employees. Under such a plan, the Company will financially support Share purchases by eligible employees. It is anticipated that approximately 200 employees of the Group (excluding the members of the Executive Board) will be eligible to participate in the plan for an average investment amount of EUR10,000. The total value of Shares purchased under the plan will not exceed EUR2,000,000. The total discount on the Shares purchased by the employees under the plan, i.e. the total cost incurred by the Company, will not exceed EUR370,000.

## **Works Council**

The Group has established works councils at various levels:

- the central works council for the Netherlands at the level of Refresco Benelux B.V.;
- several works councils in the Netherlands;
- one works council at the level of the Belgian Group company;
- several works councils at the level of Refresco France; and
- several works councils in Germany.

Furthermore, the Group has certain other employees' representatives in various jurisdictions such as Finland and Spain.

### 13. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

#### Existing Shareholders

The following table sets forth information with respect to the beneficial ownership of each Shareholder as at the date of this Prospectus.

| Shareholder                                  | Amount of Share Capital Owned       |                                    |
|----------------------------------------------|-------------------------------------|------------------------------------|
|                                              | Number/class of shares              | Percentage of issued share capital |
| Ferskur Holding 1 B.V. <sup>(1)</sup>        | 268,000,000 class A ordinary shares | 45.11%                             |
|                                              | 64,800 class A1A ordinary shares    |                                    |
|                                              | 1 class A2 ordinary share           |                                    |
| Tamoia Limited <sup>(2)</sup>                | 163,381,597 class B ordinary shares | 27.50%                             |
|                                              | 1 class B1 ordinary share           |                                    |
| 3i GC Holdings Ref 2 S.à r.l. <sup>(3)</sup> | 64,001,000 class A ordinary shares  | 10.77%                             |
|                                              | 15,475 class A1B ordinary shares    |                                    |
| Okil Holding B.V. <sup>(4)</sup>             | 55,315,600 class A ordinary shares  | 9.31%                              |
| 3i GC Holdings Ref 1 S.à r.l. <sup>(3)</sup> | 23,515,700 class A ordinary shares  | 3.96%                              |
|                                              | 5,686 A1B ordinary shares           |                                    |
| Godetia II B.V. <sup>(5)</sup>               | 19,901,000 class A ordinary shares  | 3.35%                              |

- (1) Ferskur is owned and controlled by Kaupthing hf., Stodir hf. and EAB 1 ehf. in their capacity as shareholders of Ferskur Holding 1 B.V. Kaupthing Hf. indirectly holds the majority of the shares in EAB 1 ehf., but does not control EAB 1 ehf.
- (2) Tamoia Limited is the previous owner of the Gerber business and received shares in the Company in connection with the combination between Gerber and Refresco. The ultimate parent company and controlling party of Tamoia Limited is Quadriga International Limited, a company incorporated in the British Virgin Islands, whose shares are assets of the Quadriga Trust (a discretionary trust, the trustee of which is GZ Trust Corporation Limited).
- (3) The 3i Shareholders are owned, directly or indirectly, by 3i Group plc, which is listed at the London Stock Exchange, and by various 3i investment entities, which are managed by 3i Investments plc, a subsidiary of 3i Group plc. 3i Investments plc is authorised and regulated in the UK by the Financial Conduct Authority. Their voting shareholding is as set out below.

| 3i GC Holdings Ref 1 S.à r.l. shareholding                           | 3i GC Holdings Ref 2 S.à r.l. shareholding | Shareholding % |
|----------------------------------------------------------------------|--------------------------------------------|----------------|
| 3i Growth Capital B LP <sup>(b)</sup> owns 100% voting share capital | 3i Growth Capital A LP <sup>(a)</sup>      | 5,4697%        |
|                                                                      | 3i Growth Capital C LP <sup>(b)</sup>      | 50,0000%       |
|                                                                      | 3i Growth Capital G LP <sup>(a)</sup>      | 5,4697%        |
|                                                                      | 3i Growth 08-10 LP <sup>(a)</sup>          | 20,8137%       |
|                                                                      | 3i Growth (Europe) 08-10 LP <sup>(a)</sup> | 18,2469%       |
|                                                                      | Total                                      | 100,0000%      |

(a) “Internal” 3i Group owned and managed entities

(b) “External” LP entity managed by 3i Investments plc, a subsidiary of 3i Group plc

- (4) The members of the Executive Board and management are the (direct or indirect) owners of this Shareholder.
- (5) A former member of the Executive Board (Mr F. Barel) is the owner of this Shareholder.

All class A, class A1A, class A1B and class B ordinary shares have one voting right attached. The class A2 ordinary share has 118,003,921 voting rights and the class B1 ordinary share has 44,792,714 voting rights attached. The Selling Shareholders are offering up to 30,930,662 Existing Offer Shares in the Offering. See “– Holdings Immediately Prior to and After the Offering” below.

### ***Holdings Immediately Prior to and After the Offering***

The table below presents information about the ownership of the Shares immediately prior to the Settlement after giving effect to the amendment of the Company's current articles of association which results, among other things, in (i) the cancellation of the classes A1A, A1B, A2 and B1 ordinary shares and (ii) the other current classes of shares (being the class A ordinary shares and the class B ordinary shares) to be converted into Shares, as well as immediately after the Settlement, assuming full exercise of the Over-allotment Option, and assuming an Offer Price at the mid-point of the Offer Price Range.

The A2 and B1 ordinary share will be redeemed against repayment of the nominal value (being EUR0.01 per share). The classes A1A and A1B ordinary shares will be redeemed without any repayment. The holders of these classes of shares will be compensated for the cancellation through transfer of shares from the other Shareholders.

If the Offer Price is set below the mid-point of the Offer Price Range, then the holders of class A1A and A1B ordinary shares will receive more Shares at Settlement and the other Selling Shareholders will receive less. If the Offer Price is set above the mid-point of the Offer Price Range, then the holders of class A1A and A1B ordinary shares will receive less Shares at Settlement and the other Selling Shareholders will receive more. The final amount of Shares received by each at Settlement will be set out in their filings with the AFM.

The Company does not have indication that any Selling Shareholder or member of the Executive Board or Supervisory Board intends to subscribe for Shares in the Offering.

| Shareholder                   | Amount of Shares Owned at Settlement after Conversion |                                    | Maximum number of Shares to be sold in the Offering |                                                 | Amount of Shares owned immediately after Settlement with full exercise of the Over-allotment Option |                                    |
|-------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------|
|                               | Number of Shares                                      | Percentage of issued share capital | Without exercise of the Over-allotment Option       | With full exercise of the Over-allotment Option | Number of Shares                                                                                    | Percentage of issued share capital |
| Ferskur Holding 1 B.V.        | 36,660,615                                            | 49.4%                              | 15,947,367                                          | 19,014,311                                      | 17,646,304                                                                                          | 21.7%                              |
| Tamoa Limited                 | 20,422,700                                            | 27.5%                              | 8,883,874                                           | 10,592,391                                      | 9,830,309                                                                                           | 12.1%                              |
| 3i GC Holdings Ref 2 S.à r.l. | 8,325,609                                             | 11.2%                              | 2,913,963                                           | 3,474,367                                       | 4,851,242                                                                                           | 6.0%                               |
| Okil Holding B.V.             | 4,262,760                                             | 5.7%                               | 1,420,920                                           | 1,420,920                                       | 2,841,840                                                                                           | 3.5%                               |
| 3i GC Holdings Ref 1 S.à r.l. | 3,059,057                                             | 4.1%                               | 1,070,70                                            | 1,276,578                                       | 1,782,479                                                                                           | 2.2%                               |
| Godetia II B.V.               | 1,533,622                                             | 2.1%                               | 667,125                                             | 795,425                                         | 738,197                                                                                             | 0.9%                               |

### **Related Party Transactions**

#### ***Relationship Agreement***

The Company, Ferskur, Tamoa, the 3i Shareholders and Okil have entered into the Relationship Agreement which will become effective as of the date immediately preceding the First Trading Date. The Relationship Agreement contains certain arrangements regarding the relationship between the Company and the Selling Shareholders. Below is a summary of the main elements of the Relationship Agreement.

#### ***Transactions between the Company, Ferskur, Tamoa, the 3i Shareholders and Okil***

Each of Ferskur, Tamoa, the 3i Shareholders and Okil has agreed that it will:

- conduct transactions and relationships with the Company and its subsidiaries, and ensure that agreements or arrangements between its respective affiliates and the Company or its subsidiaries are entered into, on arm's length terms and on a normal commercial basis; and
- not exercise any of its voting or other rights and powers to procure any amendment to the Articles of Association which would be inconsistent with any of the provisions of the Relationship Agreement.

#### ***Composition of the Supervisory Board***

Pursuant to the Relationship Agreement, Ferskur, Tamoa and the 3i Shareholders will have the right to designate for nomination and propose replacements for a certain number of Supervisory Board positions. Initially between them such Selling Shareholders will be in a position to designate for nomination a majority of four out of seven Supervisory Board positions. Messrs H.T. Kristinsson and J. Sigurdsson have been designated as member of the Supervisory Board by Ferskur, Mr S. Gorvy has been designated as member of the Supervisory Board by Tamoa,

and Mr P.A. de Jong has been designated as member of the Supervisory Board by the 3i Shareholders. These individuals will need to meet the profile of the members of the Supervisory Board, but will not need to be independent within the meaning of the Dutch Corporate Governance Code. The Supervisory Board shall elect its chairman from the members of the Supervisory Board who qualify as ‘independent’ within the meaning of the Dutch Corporate Governance Code.

The designation rights of Ferskur, Tamoia and the 3i Shareholders will expire depending on each of their percentage Shareholdings, as follows:

- (a) if Ferskur, directly or indirectly, holds less than 20% but more than 5% of the Shares, Ferskur will have the right to designate only one Supervisory Board member; and
- (b) if any of Ferskur, Tamoia or the 3i Shareholders, directly or indirectly, holds less than 5% of the Shares, the right of that Shareholder to designate a Supervisory Board member will expire.

The Supervisory Board member designated pursuant to an expired designation right must step down on the earlier of the date as determined by the Supervisory Board and by the designating Shareholder. An expired designation right will not revive, regardless of any subsequent increase of the number of shares held by any of Ferskur, Tamoia or the 3i Shareholders.

#### *Composition of the Supervisory Board committees*

The Relationship Agreement provides that the Supervisory Board members must procure that at all times (i) the audit committee will consist of at least three members, and the remuneration and nominating committee will consist of at least three members, (ii) the chairman of any committee of the Supervisory Board will qualify as ‘independent’ within the meaning of the Dutch Corporate Governance Code, (iii) in case of a hung vote, the chairman of the audit committee and the remuneration and nominating committee, respectively, will have a casting vote and (iv) the chairman of the Supervisory Board will not act as chairman of a Supervisory Board committee.

#### *Orderly market arrangements*

Ferskur, Tamoia, the 3i Shareholders and Okil may require the Company to provide reasonable assistance in connection with a fully marketed offering, if the number of shares proposed to be sold represents at least 10% of the Company’s issued share capital. In connection with such fully marketed offering, Ferskur, Tamoia, the 3i Shareholders and Okil may appoint one or more bookrunners and the Company may appoint an additional bookrunner. Such assistance may only be required in one fully marketed offering per 12 month period.

In the event of a sale of at least 5% of the Shares by Ferskur, Tamoia, the 3i Shareholders or Okil, other than by way of a such a fully marketed offering as described above, the Company will, up to two times in any 12 month period, facilitate such sale by providing an opportunity to perform a limited due diligence investigation by a book-runner, an investment bank engaged to assist in a sale or a potential purchaser of at least 5% of the Shares.

#### *Termination*

The Relationship Agreement will cease to bind Ferskur, Tamoia or, as the case may be, the 3i Shareholders, if it no longer holds (or, in the case of the 3i Shareholders, they no longer hold) a direct or indirect interest of 3% or more of the Shares.

Except for certain specific provisions, the Relationship Agreement will terminate at the first time any of the following conditions shall be met:

- (a) the Settlement Date not having occurred on or before 16 May 2015;
- (b) the Relationship Agreement having terminated in respect of all Selling Shareholders;
- (c) the Selling Shareholders (including any permitted transferee) collectively hold Shares representing less than 10% of the Shares;
- (d) the Company becomes subject to insolvency proceedings;
- (e) a resolution of the General Meeting to liquidate (*ontbinden*) the Company becomes unconditional;
- (f) the Company ceases to exist as a legal entity as a result of a legal merger (*fusie*) or spin off (*splitsing*) where the Company is the disappearing entity; or
- (g) termination of the listing of Shares on Euronext Amsterdam takes effect.



### *Governing law*

The Relationship Agreement will be governed by the laws of the Netherlands.

### *Shareholders Agreement*

Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. have informed the Company that they entered into the Shareholders Agreement. The Company is not a party to the Shareholders Agreement and does not have any rights and/or obligations under it.

The Shareholders Agreement provides, *inter alia*, that each of Ferskur, Tamoá, and the 3i Shareholders will dispose of its Shares held in an orderly manner whereby it will not sell or dispose of its Shares in any manner except upon expiry or otherwise as permitted under the terms of the lock-up arrangement (see “*Plan of Distribution – Lock-up Arrangements*”), and only then if at least one of the following additional criteria is satisfied in connection with the proposed sale or disposal: (i) for transfers to affiliates; (ii) if it involves a sale or disposal of less than 1% of all Shares in rolling six-months’ period; (iii) if it is by way of accepting a public offer, merger of similar business combination with a third party in respect of all the Shares, or a partial public offer as permitted by Dutch law; (iv) any sale of Shares by a 3i Shareholder to another 3i Shareholder or a 3i related party; (v) pursuant to a compromise or arrangement between the Company and its creditors; or (vi) a sale required by law or competent authority. As the Company is not a party to the Shareholders Agreement and does not have any rights under it, it cannot prevent Ferskur, Tamoá, the 3i Shareholders, and Ferskur’s shareholders Stodir hf., Kaupthing hf. and EAB 1 ehf., from amending the Shareholders Agreement or waiving their rights under the Shareholders Agreement and it cannot enforce performance of their obligations under the Shareholders Agreement.

### *Acting in concert*

Each of Ferskur, Tamoá and the 3i Shareholders will cast, and Stodir hf., Kaupthing hf. and EAB 1 ehf. will procure that Ferskur will cast, in the General Meeting the voting rights attaching to its Shares in favour of the appointment of any individual designated by Ferskur, Tamoá or the 3i Shareholders as a member of the Supervisory Board in accordance with the terms of the Relationship Agreement. In addition, the Investors may, prior to a General Meeting, choose to consult each other and to coordinate the exercise of their respective voting rights without being obliged to do so.

Each of Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. has acknowledged and agreed that the Dutch public offer rules as laid down in the Dutch Financial Supervision Act will as of the First Trading Date be applicable to the Company and the Shareholders. As Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. will continue to have a combined voting interest in the Company of more than 30% on the First Trading Date and have made the agreements set out in the Shareholders Agreement, Tamoá, the 3i Shareholders and Ferskur, and in their capacity as shareholder of Ferskur, Stodir hf., Kaupthing hf. and EAB 1 ehf., agree to be deemed to jointly have substantial control (*gezamenlijke overwegende zeggenschap*) over the Company within the meaning of the Dutch Financial Supervision Act and agree to remain qualified as concert parties (*in overleg handelende personen*) (each a “**Concert Party**” and together, a “**Concert**”) as per the First Trading Date. On this basis, each of Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. as well as their ultimate controlling persons, benefits from the exemption from the Dutch mandatory offer requirement as laid down in Section 5:71 sub 1 (i) of the Dutch Financial Supervision Act.

Each of Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. furthermore acknowledges and agrees that if a third party acquires control over Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. and the Shareholders Agreement is still in effect, such third party may be deemed to acquire indirect substantial control (*overwegende zeggenschap*) over the Company. If a third party does acquire indirect substantial control over the Company, this will result in immediate and automatic termination of the relevant acting in concert provisions.

Each of Ferskur, Tamoá, the 3i Shareholders, Stodir hf., Kaupthing hf. and EAB 1 ehf. also acknowledges and agrees that if their combined voting interest in the Company decreases below 30%, this will also result in immediate and automatic termination of the relevant provisions of acting in concert.

### *Orderly market arrangements*

Each of Ferskur, Tamoá and the 3i Shareholders will only sell and transfer Shares if at least one of the criteria set out above is satisfied or in accordance with the tag along procedures. If Ferskur, Tamoá or the 3i Shareholders



wishes to sell and transfer to a third party any of its Shares, it must provide to the other parties the opportunity (without having the obligation) to also sell and transfer to such third party up to same percentage of the Shares held by it as is sold by the initiating Investor at the same price and on the same terms and conditions.

#### *Termination*

The Shareholders Agreement will cease to bind a party thereto if such party no longer has a direct or indirect interest of 3% or more of the Shares, whereby (i) Ferskur, Stodir hf., Kaupthing hf. and EAB 1 ehf., will be considered one party and (ii) the 3i Shareholders will be considered one party.

Except for certain specific provisions, the Shareholders Agreement will terminate at the first time that any of the following conditions shall be met:

- (a) Ferskur, Tamoa and the 3i Shareholders collectively hold Shares representing less than 10% of the Shares; or
- (b) (i) the Company becomes subject to insolvency proceedings; (ii) a resolution of the General Meeting to liquidate (*ontbinden*) the Company becomes unconditional; (iii) the Company ceases to exist as a legal entity as a result of a legal merger (*fusie*) or spin off (*splitsing*) where the Company is the disappearing entity; or (iv) termination of the listing of the Shares on Euronext Amsterdam takes effect.

#### *Governing law*

The Shareholders Agreement will be governed by the laws of the Netherlands.

#### ***Minority Holding in EMIG GmbH***

One of the Shareholders, Okil, owns a 10% minority shareholding interest in EMIG GmbH, a German Group Company. Okil acquired the 10% minority shareholder interest against payment of EUR430,000 which it borrowed from the Company (with interest). The remaining 90% of the shares in EMIG GmbH were held by Refresco Deutschland Holding GmbH. The shares in Okil are (directly or indirectly) held by the members of the Executive Board and other management members. The shares indirectly held by the Executive Board members in EMIG GmbH amount to 5.3% of EMIG GmbH's share capital. Subject only to Settlement, Okil will sell its shareholding of 10% of the shares in EMIG GmbH to Refresco Deutschland Holding GmbH so that the latter will own 100% of the shares in EMIG GmbH. The purchase price for this transaction will be EUR449,514.24, which will be used to repay the entire outstanding loan.

#### ***Company Loans to Shareholders***

The Company granted a loan to Tamoa in relation to the transaction costs involved as part of the Company's combination with Gerber, for a principal amount of EUR5,131,000. Furthermore, the Company granted a loan to Okil to finance Okil's acquisition of 10% of the shares in the capital of EMIG GmbH, for a principal amount of EUR430,000.

In addition, Refresco B.V. granted a loan to Raven Management B.V., which company is owned by Messrs Duijzer and Roelofs and indirectly holds 1.03% of the Company's shares, to finance the acquisitions of such shares, of a principal amount of EUR2,100,000. On the date of this Prospectus, an amount of EUR2.2 million (including interest accrued) is outstanding under the aforementioned facility.

All loans, including any interest due, will be repaid on or before Settlement.

## 14. DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

The following paragraphs summarise certain information concerning the Company's share capital and certain material provisions of the Articles of Association and applicable Dutch law as in force of the date of this Prospectus. This section summarises the Articles of Association.

This summary 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 and the relevant provisions of Dutch law as in force on the date of this Prospectus. The Articles of Association (in the governing Dutch language and in an unofficial English translation thereof) are available on the Company's website ([www.refrescogerber.com](http://www.refrescogerber.com)). See also "*Management, Supervisory Board and Employees*" for a summary of certain material provisions of the Articles of Association, the Executive Board Rules, the Supervisory Board Rules and Dutch law relating to the Executive Board and the Supervisory Board.

### General

The Company was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 15 May 2006. It is expected that, prior to Settlement and on the Settlement Date, the Company's 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 expected to be adopted prior to the Conversion. The legal and commercial name of the Company will then be Refreso Gerber N.V.

The statutory seat (*statutaire zetel*) of the Company is in Rotterdam, the Netherlands, and its registered office is at Fascinatio Boulevard 270, 3065 WB, Rotterdam, the Netherlands (telephone number + 31 10 440 5100). The Company is registered in the Commercial Register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 24395416.

### Articles of Association

#### *Corporate Purpose*

The objects of the Company are:

- (a) to incorporate, to participate in any way whatsoever in, to manage and to supervise businesses and companies;
- (b) to finance businesses and companies;
- (c) 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;
- (d) to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- (e) to grant guarantees, to bind the Company and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;
- (f) to acquire, manage, exploit and alienate registered property and items of property in general;
- (g) to trade in currencies, securities and items of property in general;
- (h) to develop and trade in patents, trade marks, licences, know-how, copyrights, data base rights and other intellectual property rights; and
- (i) 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.

## Shares

Set out below is an overview of the Company's authorised and issued shares in the Company's capital for the dates stated in the overview.

|                           | 31 December 2014          |                    | 31 December 2013 |                    | 31 December 2012  |                  |
|---------------------------|---------------------------|--------------------|------------------|--------------------|-------------------|------------------|
|                           | share capital             |                    | share capital    |                    | share capital     |                  |
|                           | authorised <sup>(1)</sup> | issued             | authorised       | issued             | authorised        | issued           |
| Ordinary shares           | —                         | —                  | —                | —                  | 13,000,000        | 4,307,333        |
| Class A ordinary shares   | —                         | 430,733,300        | —                | 430,733,300        | 300,000           | 64,800           |
| Class B ordinary shares   | —                         | 163,381,597        | —                | 163,381,597        | 100,000           | 21,161           |
| Class A1A ordinary shares | —                         | 64,800             | —                | 64,800             | —                 | —                |
| Class A1B ordinary shares | —                         | 21,161             | —                | 21,161             | —                 | —                |
| Class A2 ordinary shares  | —                         | 1                  | —                | 1                  | —                 | —                |
| Class B1 ordinary shares  | —                         | 1                  | —                | 1                  | —                 | —                |
| <b>Total</b>              | <b>—</b>                  | <b>594,200,860</b> | <b>—</b>         | <b>594,200,860</b> | <b>13,400,000</b> | <b>4,393,294</b> |

(1) After the amendment of articles of association on 11 November 2013, there is no longer an authorised capital included in the articles of association of the Company, since this is no longer required by law.

On the date of this Prospectus, the share capital of the Company was divided into the following classes: class A ordinary shares, class A1A ordinary shares, class A1B ordinary shares, one class A2 ordinary share, class B ordinary shares and one class B1 ordinary share. The Company has issued 594,200,860 shares of which 430,733,300 are class A ordinary shares, 64,800 are class A1A ordinary shares, 21,161 are class A1B ordinary shares, one is a class A2 ordinary share, 163,381,597 are class B ordinary shares and one is a class B1 ordinary share. All shares have a nominal value of EUR0.01. After the Conversion, all of the Shares will, when issued and outstanding, be created under Dutch law. After the Conversion, but before the issue of the New Offer Shares, the number of Shares issued will be 74,264,363, each Share having a nominal value of EUR0.12.

On the date of this Prospectus, the Company's shareholders are Okil (which is owned by the Company's management), Ferskur, the 3i Shareholders, Godetia and Tamoia. No Shares are held by the Company. All issued Shares are fully paid-up and are subject to, and have been created under, the laws of the Netherlands.

## Form of Shares

The Shares have been, or will be, created under Dutch law and each Share must be paid-up in full upon issuance. The Shares are in registered form and may be entered into a collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer*) by transfer or issuance to Euroclear Nederland or to an intermediary. The intermediaries, as defined in the Dutch Securities Giro Transfer Act, are responsible for the management of the collection deposit and Euroclear Nederland, being the central institute for the purposes of the Dutch Securities Giro Transfer Act, will be responsible for the management of the giro deposit.

## Company's Shareholders' Register

Pursuant to Dutch law and the Articles of Association, the Company must keep a register of Shareholders. The Company's shareholders' register must be kept up to date and records the names and addresses of all Shareholders, showing the date on which the Shares were acquired, the date of the acknowledgement by or notification of the Company as well as the amount paid on each Share. The register also includes the names and addresses of those with a right of usufruct (*vruchtgebruik*) or a pledge (*pandrecht*) in respect of Shares.

If requested, the Executive Board will provide a Shareholder, usufructuary or pledgee of such Shares with an extract from the register relating to its title to a Share free of charge. If the Shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall. The shareholders' register is kept by the Executive Board.

If shares, as referred to in the Dutch Securities Giro Transfer Act belong to: (i) a collective deposit as referred to in the Dutch Securities Giro Transfer Act, of which shares form part, kept by an intermediary, as referred to in the Dutch Securities Giro Transfer Act; or (ii) a giro deposit as referred to in the Dutch Securities Giro Transfer Act of which shares form part, as being kept by a central institute as referred to in the Dutch Securities Giro

Transfer Act, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those shares became part of a collective deposit or the giro deposit, the date of acknowledgement by or giving of notice to as well as the paid-up amount on each Share.

### ***Issue of Shares and Pre-emptive Rights***

#### ***Issue of Shares***

The General Meeting, or the Executive Board, to the extent so authorised by the General Meeting, may resolve to issue Shares. The General Meeting is only authorised to resolve to issue Shares upon the proposal of the Executive Board which proposal requires the approval of the Supervisory Board. A resolution by the Executive Board to issue Shares requires the approval of the Supervisory Board. The foregoing also applies to the granting of rights to subscribe for Shares, such as options, but is not required for an issue of Shares pursuant to the exercise of a previously granted right to subscribe for Shares. An authorisation as referred to above will only be valid for a fixed term of no more than five years and may each time only be extended for a maximum period of five years. The Company may not subscribe for its own Shares on issue.

The Executive Board has the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire up to a maximum of 10% of the number of Shares issued as of the Settlement Date and to exclude pre-emptive rights in relation thereto.

It is expected that prior to the Settlement Date, the General Meeting will adopt a resolution to issue New Offer Shares aimed at gross proceeds of EUR100 million and to exclude all pre-emptive rights in relation to the issuance of these New Offer Shares, which will not impact the Executive Board's authority to issue Shares as described above.

#### ***Pre-emptive rights***

Upon an issuance of Shares, each Shareholder shall have a pre-emptive right in proportion to the number of Shares held by it. Shareholders 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 the granting of rights to subscribe for Shares.

Subject to the approval of the Supervisory Board, the Executive Board is authorised to restrict or exclude the pre-emptive right to which Shareholders are entitled if and to the extent that the General Meeting has authorised the Executive Board for this purpose, and only if the Executive Board at that time is also authorised to issue Shares. Such authorisation can only be made for a fixed term of no more than five years. A resolution of the General Meeting to restrict or exclude pre-emptive rights or to designate the Executive Board as the body of the Company authorised to do so requires a majority of not less than two-thirds of the votes cast, if less than one-half of the Company's issued capital is represented at the meeting. If and to the extent that the Executive Board has not been so authorised, the General Meeting is authorised to restrict or exclude the pre-emptive rights to which Shareholders are entitled, but solely on the proposal of the Executive Board, which proposal requires the approval of the Supervisory Board.

The Executive Board is authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to restrict or exclude the pre-emptive rights of Shareholders in relation to the issue of Shares for which it was authorised by the General Meeting to resolve upon as described above.

### ***Acquisition of Own Shares***

The Executive Board may cause the Company to acquire fully paid-up Shares at any time for no consideration (*om niet*), under universal succession, of title or if: (i) the Company's equity, less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves; (ii) the aggregate nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Executive Board has been authorised by the General Meeting to repurchase Shares. The General Meeting's authorisation is valid for a maximum of 18 months. As part of the authorisation, the General Meeting must specify the number of Shares that may be acquired, the manner in which the Shares may be acquired and the price range within which they may be acquired. A resolution of the Executive Board to repurchase Shares is subject to the approval of the Supervisory Board.

No authorisation from the General Meeting is required for the acquisition of fully paid-up Shares for the purpose of transferring these Shares to employees of the Company or of a Group Company pursuant to any employee participation plan.

The Company may not cast votes on, and is not entitled to dividends paid on, Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. For the computation of the profit distribution, the Shares held by the Company in its own capital shall not be included. The Executive Board is authorised, subject to the approval of the Supervisory Board, to dispose of the Company's own Shares held by it.

The Executive Board is authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to cause the Company to acquire its own Shares (including Shares issued as stock dividend), subject to the approval of the Supervisory Board, up to a maximum of 10% of the total number of Shares issued following the Settlement Date, provided the Company will hold no more Shares in stock than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%. Certain aspects of taxation of the acquisition by the Company of its Shares are described in "*Taxation*".

### ***Reduction of Share Capital***

The General Meeting may, but only if proposed by the Executive Board after approval by the Supervisory Board, and in compliance with Section 2:99 of the DCC, pass resolutions to reduce the issued share capital by (i) cancelling Shares or (ii) reducing the value of the Shares by amendment of the Articles of Association. A resolution to cancel Shares may only relate to Shares held by the Company itself (or for which it holds depositary receipts). A reduction of the nominal value of Shares, whether without redemption or against partial repayment on the Shares or upon release from the obligation to pay up the Shares, must be made *pro rata* on all Shares concerned. This *pro rata* requirement may be waived if all Shareholders concerned so agree. A resolution of the General Meeting to reduce the share capital requires a majority of at least two-thirds of the votes cast, if less than 50% of the issued and outstanding share capital is represented at the General Meeting. In addition, a resolution to reduce the share capital shall require the prior or simultaneous approval of each group of holders of Shares of a similar class (if any) whose rights are prejudiced.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

Certain aspects of taxation of a reduction of share capital are described in "*Taxation*".

### ***Transfer of Shares***

All Shares are in registered form. The transfer of a registered Share or of a restricted right (*beperkt recht*) thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required in the event that the Company is party to the transfer.

If a registered Share is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered Share is transferred for inclusion in a giro deposit, the transfer will be accepted by the central institute, being Euroclear Nederland. Upon issue of a new Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the Share in the giro deposit or the collection deposit will be effected without the cooperation of the other participants in the collection deposit or the giro deposit, respectively.

Shares included in the collective deposit or giro deposit can only be delivered from a collective deposit or giro deposit with due observance of the related provisions of the Dutch Securities Giro Transfer Act. The transfer by a deposit shareholder of its book-entry rights representing such Shares shall be effected in accordance with the provisions of the Dutch Securities Giro Transfer Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a right of usufruct on these book-entry rights.

## ***Dividend Distributions***

### ***General***

The Company may only make distributions to its Shareholders if its equity exceeds the amount of the paid-in and called-up part of the issued capital plus the reserves as required to be maintained by the Articles of Association (if any) or by Dutch law. The dividend pay-out can be summarised as follows.

### ***Annual profit distribution***

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's annual accounts (i.e. non-consolidated) annual financial statements, and the information therein will determine if the distribution of profits is legally permitted for the respective financial year. The Executive Board, subject to the approval of the Supervisory Board, may decide to allocate part of the profits to reserves. Any remaining profits will be at the disposal of the General Meeting and may be used for distribution to the Shareholders. The Executive Board, with the approval of the Supervisory Board, will make a proposal for such purpose.

Furthermore, the General Meeting may, at the proposal of the Executive Board, which is subject to the prior approval of the Supervisory Board, resolve that distributions to Shareholders be made at the charge of one or more of the Company's reserves.

### ***Interim distribution***

Subject to Dutch law and the Articles of Association, the Executive Board may, with the approval of the Supervisory Board, resolve to make an interim distribution of profit insofar as the Company's equity exceeds the amount of the paid-in and called-up part of the capital increased with the reserves required to be maintained by the Articles of Association (if any) or by Dutch law. For this purpose, the Executive Board must prepare an interim statement of assets and liabilities.

### ***Distribution in kind***

The General Meeting may, at the proposal of the Executive Board, which is subject to the prior approval of the Supervisory Board, resolve that a payment of dividend on Shares of the Company be wholly or partly paid by a distribution of Shares. If and when the Executive Board has been designated by the General Meeting as authorised to issue Shares, the Executive Board shall be authorised, subject to the prior approval of the Supervisory Board, to resolve so.

### ***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.

### ***Payment***

Payment of any future dividend on Shares in cash will be made in euro. Any dividends on Shares that are paid to Shareholders through Euroclear Nederland will be automatically credited to the relevant Shareholders' accounts. There are no restrictions in relation to the payment of dividends under Dutch law in respect of holders of Shares who are non-residents of the Netherlands. However, see "*Taxation*" for a discussion of certain aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands.

Payments of profit and other payments are announced in a notice. A Shareholder's claim to payments of profit and other payments lapses five years after the day on which the claim became payable. Any profit or other payments that is not collected within this period reverts to the Company. According to the Articles of Association, payments of profit and other payments are payable pursuant to a resolution of the Executive Board within four weeks of adoption, unless the Executive Board sets another date for payment.



## ***Meetings of Shareholders***

### ***General Meetings***

General Meetings must be held in Rotterdam, Amsterdam or Haarlemmermeer (including Schiphol Airport), at the choice of those who call the meeting.

The annual General Meeting must be held no later than in the month of June. An extraordinary General Meeting may be convened, whenever the Company's interests so require, by the Supervisory Board or the Executive Board. In addition, Shareholders representing alone or in aggregate at least one-tenth of the issued share capital may, pursuant to the DCC and the Articles of Association, request that a General Meeting be convened. If no General Meeting has been held within six weeks of the shareholders making such request, they may be authorised upon request by a district court in summary proceedings to convene a General Meeting. Within three months of it becoming apparent to the Executive Board that the Company's equity has decreased to an amount equal to or lower than 50% of the paid-up part of the capital, a General Meeting will be held to discuss any requisite measures.

Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days. The notice convening any General Meeting must include, among other items, an agenda indicating the place and time and date of the meeting, the items for discussion and voting, the procedure for registration including the registration date, as well as any proposals for the agenda. The agenda for the annual General Meeting must contain certain subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profit, insofar as this is at the disposal of the General Meeting. In addition, the agenda must include such items as have been included therein by the Executive Board, the Supervisory Board or Shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the members of the Executive Board and the Supervisory Board concerning the performance of their duties in the financial year in question, the matter of the discharge must be mentioned on the agenda as separate items for the Executive Board and the Supervisory Board respectively.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting.

Shareholders who, individually or with other Shareholders, hold Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least EUR250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by the chairman of the Supervisory Board or his replacement. The Supervisory Board may appoint someone else to chair the General Meeting. The chairman will have all powers necessary to ensure the proper and orderly functioning of the General Meeting. Without the chairman of the Supervisory Board having appointed someone else to chair in his absence, the General Meeting itself shall appoint the chairman, provided that so long as such election has not taken place, the chairmanship will be held by an Executive Board member designated for that purpose by the members of the Executive Board present at the General Meeting. Members of the Executive Board and of the Supervisory Board may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairman of the General Meeting may decide at its discretion to admit other persons to the General Meeting.

Each Shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, to address the General Meeting and, in so far as they have such right, to exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Shares on the registration date, which is currently the 28th day before the day of the meeting, and they or their proxy have notified the Company of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

The Executive Board may decide that persons entitled to attend General Meetings and vote there may, within a period prior to the General Meeting to be set by the Executive Board, which period cannot start prior to the registration date, cast their vote electronically or by post in a manner to be decided by the Executive Board. Votes cast in accordance with the previous sentence are equal to votes cast at the meeting.

### *Voting rights*

Each Shareholder may cast one vote for each Share held at the General Meeting. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Shares which are held by the Company. Resolutions of the General Meeting are passed by an absolute majority of the valid votes cast, except where Dutch law or the Articles of Association prescribe a greater majority. If there is a tie in voting other than a vote for the election of persons, the proposal concerned will be rejected.

### *Amendment of Articles of Association*

The General Meeting may resolve to amend the Articles of Association upon a proposal of the Executive Board, which proposal requires the approval of the Supervisory Board. A proposal to amend the Articles of Association must be included in the agenda of the General Meeting. A copy of the proposal, containing the *verbatim* text of the proposed amendment, must be deposited with the Company for the inspection of every Shareholder from the date on which notice of the meeting is given until the end of the General Meeting (free of charge). Furthermore, a copy of the proposal will be made available free of charge to Shareholders and other persons holding meetings rights from the day it was deposited until the day of the meeting. A resolution by the General Meeting to amend the Articles of Association requires an absolute majority of the votes cast. A resolution of the General Meeting to amend the Articles of Association which has the effect of reducing the rights attributable to holders of Shares of a particular class, is subject to approval of the meeting of holders of Shares of that class.

### **Dissolution and Liquidation**

The Company may be dissolved by a resolution of the General Meeting upon proposal by the Executive Board, which proposal requires the approval of the Supervisory Board. If the General Meeting has resolved to dissolve the Company, the members of the Executive Board will be charged with the liquidation of the Company under the supervision of the Supervisory Board. During liquidation, the provisions of Articles of Association will remain in force as far as possible.

The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, be distributed to the Shareholders in proportion to the nominal amount of each Shareholder's holding in Shares. Once the liquidation has been completed, the books, records and other data carriers of the dissolved Company will be held by the person or legal person appointed for the purpose by the General Meeting for the period prescribed by law (which as of the date of this Prospectus is seven years).

Certain tax aspects of liquidation proceeds are described in "*Taxation*".

### **Liability, Indemnity and Insurance**

Under Dutch law, members of the Executive Board and Supervisory Board may be liable to the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the Company and to third parties for infringement of the Articles of Association or of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Members of the Executive Board and Supervisory Board and certain of the Company's officers are insured under an insurance policy against their legal liability resulting from their conduct when acting in the capacities as such directors and officers of the Company and its subsidiaries, unless such insurance cannot be obtained at reasonable terms. Furthermore, the Articles of Association provide for an indemnity for members of the Executive Board and Supervisory Board and, at the Executive Board's discretion, certain other officers of the Company, who will not, however, be indemnified with respect to claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the person concerned has been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*). See "*Management, Supervisory Board and Employees – Indemnification*".

### **Annual and Semi-Annual Financial Reporting, and Interim Management Statements**

Annually, within four months after the end of the financial year, the Executive Board must prepare the annual accounts. The annual accounts must be accompanied by an independent auditor's statement, a management report, a report by the Supervisory Board and certain other information required under Dutch law. All members of the Executive Board and the Supervisory Board must sign the annual accounts. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given. The annual accounts must be adopted by the General Meeting.

The annual accounts, the annual report, the report of the Supervisory Board, the independent auditor's report and other information required under Dutch law must be made available to the Shareholders and other persons entitled to attend and address the General Meetings at the offices of the Company from the date of the notice convening the annual General Meeting.

The annual accounts, the annual report, the report of the Supervisory Board, the independent auditor's report and other information required under Dutch law must be filed with the AFM within five days following adoption.

At the General Meeting at which it is resolved to adopt the annual accounts, it may be separately proposed that the members of the Executive Board and the Supervisory Board be released from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts or otherwise disclosed to the General Meeting prior to taking the proposed resolution relating to the release from liability.

Within two months after the end of the first six months of each financial year, the Executive Board must prepare semi-annual financial statements and make them publicly available. If the semi-annual financial statements are audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual financial statements.

During the period between ten weeks after the start and six weeks before the end of each half of the financial year, the Company must prepare an interim statement and make it publicly available. The interim statement includes an explanation of the important events and transactions that took place during the period between the start of the relevant period and publication of the interim statement and their impact on the financial position of the Company and its controlled undertakings. The interim statement also includes a general description of the financial position and the performance of the Company and its controlled undertakings during that period. It is expected that in 2015 this requirement will be abolished.

#### ***Dutch Financial Reporting Supervision Act***

The Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the “**FRSA**”) applies to financial years starting from 1 January 2006. On the basis of the FRSA, the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to: (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the Company's financial reporting meets such standards; and (ii) recommend the Company to make available further explanations in respect of its financing reporting. If the Company does not comply with such a request or recommendation, the AFM may request that the enterprise chamber of the court of appeal in Amsterdam (*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.

#### **Obligations of Shareholders to Make a Public Offer**

Pursuant to the Dutch Financial Supervision Act, and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any 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 at a fair price. 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 in the general meeting of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time of that company's initial public offering). An additional exemption exists if such (legal) person, alone or acting in concert, reduces its holding below 30% within 30 days of the acquisition of control provided that: (i) the reduction of such (legal) person's holding was not effected by a transfer of shares or depositary receipts to an exempted party; and (ii) during this period such (legal) person, alone or acting in concert, did not exercise its voting rights.

In addition, it is prohibited to launch a public offer for shares of a listed company, such as the Shares, unless an offer document has been approved by the AFM. A public offer may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The public offer rules are intended to

ensure that in the event of a public offer, among others, sufficient information will be made available to the holders of the shares, the holders of the shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

### **Squeeze-out**

Pursuant to Section 2:92a of the DCC, a shareholder who for his own account holds at least 95% of a Dutch public company's issued share capital may initiate proceedings against such company's minority shareholders jointly for the transfer of their shares to him. 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 after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. 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 is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following the public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. 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, after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the Dutch Financial Supervision Act also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. With regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

### **Obligations to Disclose Holdings**

Holders of the Shares may be subject to notification obligations under the Dutch Financial Supervision Act. Shareholders are advised to seek professional advice on these obligations.

#### ***Obligations of Shareholders to Disclose Holdings***

Pursuant to the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a listed company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in that company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the abovementioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital. The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest at 31 December at midnight has a different composition than in a previous notification to the AFM must notify the AFM within four weeks.

Controlled entities, within the meaning of the Dutch Financial Supervision Act, do not have notification obligations under the Dutch Financial Supervision Act, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for the purposes of the Dutch Financial Supervision Act, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Dutch Financial Supervision Act will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity 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; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares which determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as "shares": (i) shares, (ii) depositary receipts for shares (or negotiable instruments similar to such receipts), (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds), and (iv) options for acquiring the instruments under (i) or (ii).

#### *Notification of short positions*

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the above mentioned thresholds as a result of a change in the Company's issued share capital, such person is required to make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short-selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short-selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires the confirmation of a third party that the shares have been located.

#### ***Obligations of Executive Board Members and Supervisory Board Members to Disclose Holdings***

Each member of the Executive Board and Supervisory Board and certain other persons must immediately give written notice to the AFM by means of a standard form of any change in its holding of Shares and voting rights in the Company. See "– Dutch Market Abuse Regime" below.



### **Public Registry**

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch Financial Supervision Act on its website [www.afm.nl](http://www.afm.nl).

Third parties can request to be notified automatically by email of changes to the public register in relation to a particular company's shares or a particular notifying party.

### **Non-Compliance**

Non-compliance with the disclosure and notification obligations under the Dutch Financial Supervision Act is an economic offence that could lead to the imposition of criminal prosecution, administrative fines, imprisonment or other sanctions. In addition, non-compliance with some of the notification obligations under the Dutch Financial Supervision Act may lead to civil sanctions, including suspension of the voting rights relating to the shares held by the offender for a period of not more than three years, voiding of a resolution adopted by the general meeting in certain circumstances and ordering the person violating the disclosure obligations to refrain, during a period of up to five years, from acquiring shares and/or voting rights in shares. A claim requiring that such measures be imposed must be instituted by the Company and/or by one or more shareholders who alone or together with others represent at least 3% of the Company's issued share capital or are able to exercise at least 3% of the voting rights.

### **Identity of Shareholders**

Under the Dutch Securities Giro Transfer Act, Dutch listed companies may request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of their shareholders. Such requests 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 its 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.

### **Dutch Market Abuse Regime**

The Dutch Financial Supervision Act provides for specific rules intended to prevent market abuse, such as insider trading, tipping and market manipulation. Pursuant to these rules, the Company has adopted rules governing the holding and carrying out of transactions in the Shares or in financial instruments the value of which is determined by the value of the Shares by members of the Executive Board and the Supervisory Board as well as employees.

Pursuant to the Dutch Financial Supervision Act, any member of the management board and the supervisory board of a listed company, as well as any other person who has managerial responsibilities in respect of such company and with authority to make decisions affecting future developments and business prospects of the company and who may have regular access to inside information relating, directly or indirectly, to the company, must forthwith notify the AFM by means of a standard form of any transactions conducted or carried out for his own account relating to the company's shares or in financial instruments, the value of which is (in part) also based on the value of the shares in the company. If a transaction was already notified as including a member of the management board or the supervisory board, no notification needs to be made.

In addition, in accordance with the Dutch Financial Supervision Act and the regulations promulgated thereunder (e.g. the Dutch Financial Supervision Act Decree on Market Abuse (*Besluit Marktmisbruik Wft*, the "**Decree**")), certain persons who are closely associated with members of the management board, the supervisory board or any of the other persons as described above, are required to notify the AFM of any transactions conducted for their own account relating to the company's shares or in financial instruments, the value of which is (in part) also based on the value of the shares in the company. The Dutch Financial Supervision Act and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date, and (iv) any legal person, trust or partnership whose, among other things, managerial responsibilities are discharged by a person referred to under (i) to (iii) above or by the relevant member of the management board, the supervisory board or other person with any authority in respect of the company as described above.

The notification to the AFM must be made no later than the fifth business day following the relevant transaction date. Under certain circumstances, the notification may be postponed until the date the value of the transactions performed for that person's own account, together with transactions carried out by the persons closely associated with that person, amounts to EUR5,000 or more in the calendar year in question.



The AFM keeps a public register of all notifications made pursuant to the Dutch Financial Supervision Act. Non-compliance with these reporting obligations under the Dutch Financial Supervision Act could lead to sanctions. See “– *Non-compliance*” above.

### **Dutch Corporate Governance Code**

The Dutch Corporate Governance Code (the “**Dutch Corporate Governance Code**”), as amended, became effective on 1 January 2009 and finds its statutory basis in Book 2 of the DCC. The Dutch Corporate Governance Code applies to the Company as the Company has its registered office in the Netherlands and its Shares will be listed on Euronext Amsterdam.

The Dutch Corporate Governance Code defines a company as a long-term form of collaboration between the principal corporate bodies of a company. For the Company, these corporate bodies include the Executive Board, the Supervisory Board and the General Meeting. The Executive Board values and considers the interests of the various stakeholders involved. According to the Dutch Corporate Governance Code, good corporate governance results in effective decision-making in a manner which enhances shareholder value and enables a company to maintain a culture of integrity, transparency and trust.

The Dutch Corporate Governance Code is based on a ‘comply or explain’ principle. Accordingly, companies are required to disclose in their annual report filed in the Netherlands whether or not they are complying with the various best practice provisions of the Dutch Corporate Governance Code that are addressed to the management board, if applicable, the supervisory board, or the shareholders of the company. If a company deviates from a best practice provision in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its annual report.

### ***Deviations from the Best Practice Provisions of the Dutch Corporate Governance Code***

The Company acknowledges the importance of good corporate governance. It agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code. However, considering its interests and the interest of its stakeholders, the Company deviates from a limited number of best practice provisions.

The best practice provisions of the Dutch Corporate Governance Code with which the Company does currently not comply are the following:

#### **(a) Best practice provision II.2.8. (remuneration in the event of dismissal)**

The Company does not comply with best practice provision II.2.8, which determines that the remuneration in the event of dismissal may not exceed a one year’s salary. In the event of dismissal, Mr Duijzer is entitled to receive a severance payment of EUR1 million gross, which exceeds a one year salary.

#### **(b) Best practice provision III.2.1 (independence of Supervisory Board members)**

The Company does not comply with best practice provision III.2.1, which requires all members of the Supervisory Board, with the exception of no more than one person, to be independent during the year under review. As of the Settlement Date, only three out of the seven members of the Supervisory Board are independent. Pursuant to the Relationship Agreement, Ferskur, Tamoia and the 3i Shareholders will have the right to designate for nomination and propose replacements for a certain number of Supervisory Board positions. Initially, between them such Selling Shareholders will be in a position to designate for nomination a majority of four out of seven Supervisory Board positions. For more information, see “*Major Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*”. As a result, Messrs Hilmar Kristinsson, Jon Sigurdsson, Sean Gorvy and Pieter de Jong are, and following the completion of the Offering, will be, non-independent members of the Supervisory Board within the meaning of best practice provision III.2.1.

(c) Best practice provision III.3.1 (expertise and composition of the Supervisory Board)

The Supervisory Board will be composed in such manner that the combination of experience, expertise and independence of its members satisfies the requirements set out in its profile. The Company believes that the composition of the Supervisory Board allows it to properly and effectively carry out its duties. The Supervisory Board strives for a diverse composition in terms of, among other things, gender and age in achieving a desired balance in its composition but it does not strictly follow the recommendation of best practice provision III.3.1 to formulate an explicit target on diversity in terms of gender or age. Although the Company pays close consideration to gender diversity in the profiles of new members in accordance with Section 2:166 subsection 2 of the DCC, the Company does not strictly follow the recommendation for an explicit target on gender diversity and has not yet established concrete targets in this respect.

## 15. OFFERING

### Introduction

#### *Offer Shares in the Offering*

The Company is offering for subscription New Offer Shares, aimed at gross proceeds of approximately EUR100 million, and the Selling Shareholders are offering up to 30,930,662 Existing Offer Shares with a nominal value of EUR0.12 in the capital of the Company in the Offering. Assuming no exercise of the Over-allotment Option, the Offer Shares will constitute not more than 47.1% of the issued and outstanding share capital of the Company. Assuming the Over-allotment Option is fully exercised, the Offer Shares will constitute not more than 54.2% of the issued and outstanding share capital of the Company. See the table below under “–*Over-allotment Option*” below for an illustration thereof. In addition, the Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, the Over-allotment Option.

The Offering consists of (a) a public offering to institutional and retail investors in the Netherlands, and (b) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being: (i) sold within the United States, to persons reasonably believed to be QIBs as defined in, and in reliance on Rule 144A and applicable state securities laws; and (ii) offered and sold outside the United States to investors, in compliance with Regulation S under the US Securities Act. This Offering is made only in those jurisdictions in which, and only to those persons to whom, the Offering may be lawfully made.

#### *Over-allotment Option*

Some of the Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, the Over-allotment Option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell to the Underwriters at the Offer Price up to 5,793,446.0 Additional Shares (on a *pro rata* basis to the Existing Offer Shares offered by those Selling Shareholders, subject to a cap for Okil whereby it will not sell more than one-third of its Shares in the Offering), comprising up to 15% of the total number of Offer Shares sold in the Offering, to cover short positions resulting from over-allotments in connection with the Offering, if any.

The table below sets out the maximum number of Shares that may be allotted as part of the Offering, assuming no exercise and assuming full exercise of the Over-allotment Option.

#### Shares as part of the Offering

|                             | Maximum number of Shares allotted<br>without exercise of Over-allotment<br>Option | Maximum number of Shares allotted<br>with full exercise of Over-allotment<br>Option |
|-----------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Offer Shares . . . . .      | 38,622,970                                                                        | 38,622,970                                                                          |
| Additional Shares . . . . . | –                                                                                 | 5,793,446                                                                           |
| <b>Total . . . . .</b>      | <b>38,622,970</b>                                                                 | <b>44,416,416</b>                                                                   |

### Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below lists certain expected key dates for the Offering.

| <u>Event</u>                                                               | <u>Time (CET) and Date</u> |
|----------------------------------------------------------------------------|----------------------------|
| Start of Offer Period                                                      | 17 March 2015 at 9:00 CET  |
| End of Offer Period for Dutch Retail Investors                             | 25 March 2015 at 17:30 CET |
| End of Offer Period for other investors                                    | 26 March 2015 at 13:00 CET |
| Pricing and Allocation                                                     | 26 March 2015              |
| Publication of results of the Offering                                     | 27 March 2015              |
| First Trading Date (trading on an ‘as-if-and-when-issued/delivered’ basis) | 27 March 2015              |
| Settlement Date (payment and delivery)                                     | 31 March 2015              |

Please note that the Company and the Selling Shareholders, together with the Joint Global Coordinators, reserve the right to adjust the dates, times and periods given in the timetable and throughout this Prospectus. 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 Offer Period, provided that any extension will be for at least one full business 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 Offer Period. In any event, the Offer Period will be at least six business days.

### **Offer Period**

Subject to acceleration or extension of the timetable for the Offering, prospective investors may subscribe for Offer Shares during the period commencing on 17 March 2015 at 9:00 CET and ending on or about 26 March 2015 at 13:00 CET. The Offer Period for Dutch Retail Investors will end on 25 March 2015 at 17:30 CET. In the event of an acceleration or extension of the Offer Period, pricing, Allocation, listing, first trading, payment (in euro) for and delivery of the Offer Shares 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 end of the Offer Period, a supplement to this Prospectus will be published, the Offer Period will be extended, if so required by the Prospectus Directive, the Dutch Financial Supervision Act 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.

### ***Offer Price and Number of Offer Shares***

The Offer Price Range is between EUR13 and EUR16 per Offer Share. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is an indicative price range.

The Offer Price and the exact number of Offer Shares and, if applicable, Additional Shares offered will be determined after the Offer Period has ended, including any acceleration or extension, by the Company and the Selling Shareholders and following recommendations from the Joint Global Coordinators, on behalf of the Underwriters, on the basis of the book-building process, taking into account economic and market conditions and factors, including:

- the Offer Price Range;
- a qualitative and quantitative assessment of demand for the Offer Shares;
- the Group's financial information;
- the history of, and prospects for, the Company and the industry in which the Company competes;
- an assessment of the Company's management, its past and present operations and the prospects for, and timing of, the Group's future revenues;
- the present state of the Group's development;
- the above factors in relation to the market valuation of companies engaged in activities similar to those of the Company;
- the economic and market conditions, including those in the debt and equity markets; and
- any other factors deemed appropriate.

The Offer Price and the exact number of Offer Shares to be sold and the maximum number of Additional Shares will be set out in the Pricing Statement that will be filed with the AFM and published through a press release on the Company's website. Printed copies of the Pricing Statement will be made available at the registered office of the Company.

### **Change of the Offer Price Range or Number of Offer Shares**

The Offer Price Range is an indicative price range. The Company and the Selling Shareholders reserve the right to, after consultation with the Joint Global Coordinators, change the Offer Price Range and/or to increase or decrease the maximum number of Offer Shares before the end of the Offer Period. Any such change will be

announced in a press release prior to the end of the Offer Period. Any increase in the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days. Any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day.

## **Subscription and Allocation**

### ***Subscription by Dutch Retail Investors***

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 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 ABN AMRO Bank N.V. as the retail coordinator (the “**Retail Coordinator**”). The Retail Coordinator will consolidate all subscriptions submitted by Dutch Retail Investors to financial intermediaries and inform the Company, the Selling Shareholders and the Joint Global Coordinators. 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 Offer Period (if applicable, as accelerated or extended). All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the purchase of Offer Shares and, if applicable, Additional Shares will be determined by the financial intermediaries in accordance with their usual procedures or as otherwise notified to the Dutch Retail Investors. The Company and the Selling Shareholders are not liable for any action or failure to act by a financial intermediary or the Retail Coordinator in connection with any purchase, or purported purchase, of Offer Shares and, if applicable, Additional Shares.

### ***Allocation***

Allocation of the Offer Shares is expected to take place on the day of the closing of the Offer Period, expected on 26 March 2015 subject to acceleration or extension of the timetable for the Offering. Allocations to investors who applied to subscribe for Offer Shares will be determined by the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Investors may not be allocated all of the Offer Shares for which they subscribed. 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 for which they applied to subscribe. The Company and the Selling Shareholders may, in consultation with the Joint Global Coordinators, at their own discretion and without stating the grounds therefore, reject any subscriptions wholly or partly. Any monies received in respect of subscriptions which are not accepted in whole or in part will be returned to the investors without interest and at the investors’ risk. The Underwriters will notify investors of any allocation of Offer Shares to them.

It is intended that Dutch Retail Investors will benefit from preferential allocation, for up to 10% of the Offer Shares, not including the Additional Shares. See “– *Preferential Retail Allocation*” below. Apart from the preferential retail allocation, the Company, the Selling Shareholder and the Joint Global Coordinators, retain full flexibility to change the intended allocation. All Offer Shares will be offered as part of a single offering, there is no separate tranche for retail investors.

Investors participating in the Offering will be deemed to have checked whether and to have confirmed that they meet the requirements of the selling and transfer restrictions described in “*Selling Restrictions*” and “*Transfer Restrictions*”. Each investor should consult his/her own advisers as to the legal, tax, business, financial and related aspects of a purchase of Offer Shares. The Joint Bookrunners will communicate to the institutional investors the number of Offer Shares allocated to them on the date that Allocation occurs.

### ***Preferential Retail Allocation***

There will be a preferential allocation of Offer Shares to Dutch Retail Investors in accordance with applicable law and regulations. Each Dutch Retail Investor will be allocated the first 250 (or fewer) Offer Shares for which such investor applies. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares, assuming no exercise of the Over-allotment Option, the preferential allocation to each Dutch Retail Investor may be reduced

*pro rata* to the first 250 (or fewer) Offer Shares for which such investor applies. As a result, Dutch Retail Investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Additional Shares. The Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for. For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) 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, Dutch Retail Investors must place their subscriptions during the period commencing on 17 March 2015 at 9:00 CET and ending on 25 March 2015 at 17:30 CET through financial intermediaries. Different financial intermediaries may apply deadlines before the closing time of the Offer Period. The Retail Coordinator will communicate to the financial intermediaries the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors. It is up to the financial intermediaries to notify Dutch Retail Investors of their individual allocations.

### **Withdrawal Rights**

In the event that the Company is required to publish a supplement to this Prospectus, investors who have already agreed to purchase Offer Shares may withdraw their applications within two business days following the date of publication of the supplement to this Prospectus.

The right to withdraw an application to acquire Offer Shares in the Offering in these circumstances will be available to all investors in the Offering. If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares in the Offering will remain valid and binding. Details of how to withdraw an application will be made available if a supplement to this Prospectus is published.

### **Payment**

Payment for the Offer Shares and payment for Additional 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. The Offer Price must be paid in full in euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor (see “*Taxation*”). Dutch Retail Investors may be charged expenses by their financial intermediary. 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 Offer Period and consequent acceleration of pricing, Allocation, first trading and payment and delivery).

### **Delivery, Clearing and Settlement**

The Shares are registered shares which will be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Transfers Act. The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Nederland. Application has been made for the Shares to be accepted for clearance through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands. Delivery of the Offer Shares and the Additional 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 through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Offer Shares and, if applicable, the Additional Shares, in immediately available funds.

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be 31 March 2015, the second business day following the First Trading Date (T+2). 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 shall have been converted into a public limited liability company under Dutch law; (ii) the approval of this Prospectus by the AFM being in full force and effect; (iii) execution of a pricing agreement between the Company, the Selling Shareholders and the Joint Global Coordinators on behalf of the Underwriters (the “**Pricing Agreement**”), which will contain the Offer Price; (iv) receipt on or before the Settlement Date of



opinions on certain legal matters from legal counsel relating to, among other things, the Company, the Selling Shareholders, the Underwriting Agreement, this Prospectus and the Offer Shares; (v) receipt of customary officers' certificates; (vi) the absence of a material adverse change or any development involving a prospective material adverse change, in or affecting the business, assets, financial position, shareholder's equity, cashflow, solvency or results of operations of the Company and its subsidiaries, taken as a whole, since 31 December 2014; (vii) the absence of any significant downgrading by two or more notches of the Company's credit rating, (viii) the admission of the Shares to listing on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date; and (ix) certain other customary closing conditions, including, among other things, the accuracy of the warranties provided by the Company and each of the Selling Shareholders pursuant to the Underwriting Agreement and the fulfilment by the Company and each of the Selling Shareholders of their respective conditions under the Underwriting Agreement. The Underwriters will have the right to waive the satisfaction of any such conditions or part thereof. (see "*Plan of Distribution – Underwriting Arrangements*").

There are certain restrictions on the transfer of Shares, as set out in "*Selling Restrictions*" and "*Transfer Restrictions*".

### **Listing and Trading**

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 "RFRG". The ISIN (International Security Identification Number) is NL0011214010 and the common code is 120192256.

Subject to acceleration or extension of the timetable for the Offering, trading in the Shares on Euronext Amsterdam is expected to commence on the First Trading Date. Trading in the Shares before the closing of the Offering will take place 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 or events referred to in the Underwriting Agreement are not satisfied or waived on or prior to such date (see "*Plan of Distribution – Underwriting Arrangements*"). If closing of the Offering does not take place on the Settlement Date or at all, the Offering may be withdrawn, in which case, all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any payments made will be returned without interest or other compensation and Euronext may annul transactions in Shares that have occurred. All dealings in Shares prior to settlement and delivery are at the sole risk of the parties concerned.

The Underwriters, the Company, the Selling Shareholders, the Listing and Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or the related annulment of any transaction in Shares on Euronext Amsterdam.

### **Voting Rights**

Each Share confers the right to cast one vote in the General Meeting, see "*Description of Share Capital and Corporate Governance – Meeting of Shareholders – 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 Additional Shares, will rank *pari passu* with the other Shares. The Offer Shares will carry dividend rights as of the date of issue. See "*Dividend Policy*".

### **Dilution**

The voting interest of the Selling Shareholders will be diluted as a result of the issuance of the New Offer Shares. The maximum dilution for the Selling Shareholders pursuant to the issuance of the New Offer Shares would be 9.4%, assuming the issuance of 7,692,308 New Offer Shares.

### **Listing and Paying Agent**

ABN AMRO Bank N.V. is the Listing and Paying Agent with respect to the Shares on Euronext Amsterdam.

### **Retail Coordinator**

ABN AMRO Bank N.V. is the Retail Coordinator with respect to the Preferential Retail Allocation.

**Stabilisation Agent**

J.P. Morgan Securities plc is the Stabilisation Agent with respect to the Shares on Euronext Amsterdam.

**Fees and Expenses**

The costs of the Offering borne by the Company are estimated not to exceed approximately EUR26.1 million, including underwriting commissions (in respect of the New Offer Shares, the Existing Offer Shares and the Additional Shares (if any)) of up to EUR13.8 million and certain other expenses of up to EUR12.3 million (which includes all costs incurred by the Selling Shareholders which will be paid by the Company). See “*Plan of Distribution*” for a description of the fees payable to the Underwriters in connection with the Offering.

No expenses or taxes will be charged by the Company or the Underwriters to the applicants in the Offering.

## 16. PLAN OF DISTRIBUTION

### Underwriting Arrangements

On the date of this Prospectus, the Company, the Selling Shareholders and the Underwriters entered into an underwriting agreement (the “**Underwriting Agreement**”) with respect to the Offering and sale of the Offer Shares.

Under the terms and subject to the conditions set out in the Underwriting Agreement, the Underwriters have severally agreed, subject to certain conditions, to purchase the Offer Shares, and the Company has agreed to issue and sell New Offer Shares and the Selling Shareholders have agreed to sell Existing Offer Shares to the Underwriters. The proportion of total Offer Shares which each Underwriter may severally be required to purchase is indicated below.

| <u>Underwriter</u>                                       | <u>Percentage of Total Offer Shares</u> |
|----------------------------------------------------------|-----------------------------------------|
| J.P. Morgan Securities plc .....                         | 30.00%                                  |
| Credit Suisse Securities (Europe) Limited .....          | 28.34%                                  |
| ABN AMRO Bank N.V. ....                                  | 10.00%                                  |
| HSBC Bank plc .....                                      | 18.00%                                  |
| Coöperative Centrale Raiffeisen-Boerenleenbank B.A. .... | 6.83%                                   |
| Société Générale .....                                   | 6.83%                                   |
| <b>Total</b> .....                                       | <u>100%</u>                             |

The Underwriting Agreement provides that the obligations of the Underwriters to purchase the Offer Shares, are subject to, among other things, the following conditions: (i) the Company shall have been converted into a public limited liability company under Dutch law; (ii) the approval of this Prospectus by the AFM being in full force and effect; (iii) execution of the Pricing Agreement; (iv) receipt on or before the Settlement Date of opinions on certain legal matters from legal counsel relating to, among other things, the Company, the Selling Shareholders, the Underwriting Agreement, this Prospectus and the Offer Shares; (v) receipt of customary officers’ certificates; (vi) the absence of a material adverse change or any development involving a prospective material adverse change, in or affecting the business, assets, financial position, shareholder’s equity, cashflow, solvency or results of operations of the Company and its subsidiaries, taken as a whole, since 31 December 2014; (vii) the absence of any significant downgrading by two or more notches of the Company’s credit rating; (viii) the admission of the Shares to listing on Euronext Amsterdam occurring no later than 9:00 CET on the First Trading Date; and (ix) certain other customary closing conditions, including, among other things, the accuracy of the warranties provided by the Company and each of the Selling Shareholders pursuant to the Underwriting Agreement and the fulfilment by the Company and each of the Selling Shareholders of their respective conditions under the Underwriting Agreement. The Underwriters will have the right to waive the satisfaction of any such conditions or part thereof.

Upon the occurrence of certain specific events, such as the occurrence of: (i) any material adverse change or any development involving a prospective material adverse change, in or affecting the business, assets, financial position, shareholder’s equity, cashflow, solvency or results of operations of the Company and its subsidiaries, taken as a whole, since 31 December 2014; (ii) trading generally having been suspended or materially limited on any of the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange plc, Euronext Amsterdam, or any over-the-counter market; or (iii) a statement in this Prospectus, the Pricing Statement or any amendment or supplement to this Prospectus being untrue, inaccurate or misleading, the Underwriters may elect to terminate the Underwriting Agreement until the Settlement Date.

### Underwriters’ Consideration

In consideration of the agreement by the Underwriters to purchase the Offer Shares at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Company agrees to pay to the Underwriters all fees, if any, including a commission of 1.5% of the product of the Offer Price and the number of Offer Shares (including Additional Shares, if any) purchased from the Company and the Selling Shareholders,

respectively. In addition, the Underwriting Agreement provides that the Company may, at its sole discretion, pay a discretionary commission of 1.25% of the product of the Offer Price and the number of Offer Shares (including Additional Shares, if any) purchased from each of the Company and the Selling Shareholders (the “**Discretionary Fee**”) which, if awarded, may be allocated within the syndicate of Underwriters at the sole discretion of the Company. The decision by the Company whether to pay the Discretionary Fee, and the size, allocation among the Underwriters and payment thereof, will be determined by the Company in its sole discretion on the basis of their perception of each Underwriter’s performance during the preparation for and execution of the Offering, and will occur not later than on the date falling 30 days from the Settlement Date, and the allocation of any such Discretionary Fee, if any, may differ from the proportions of Offer Shares purchased by the Underwriters. Certain costs and expenses incurred by the Underwriters in connection with the Offering will be disbursed by the Company. The Underwriting Agreement provides that the Company will indemnify the Underwriters against certain losses and liabilities arising out of or in connection with the Offering.

### **Over-allotment and Stabilisation**

In connection with the Offering, J.P. Morgan Securities plc, or its affiliates, will act as the Stabilisation Agent, on behalf of the Underwriters and may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market, for a period ending 30 days following the First Trading Date. Such transactions may be effected on any securities market, stock exchange (including Euronext Amsterdam), on over-the-counter markets or otherwise. However, there is no obligation on the Stabilisation Agent or any of its agents to effect stabilising transactions and no assurance that stabilising transactions will be undertaken. Such transactions, if commenced, may be discontinued at any time without prior notice. In connection with the Offering, the Stabilisation Agent or any of its agents may, for the purposes of stabilisation and pursuant to the Over-allotment Option, at any time during the period commencing on the First Trading Date and ending 30 days thereafter, purchase in aggregate up to 5,793,446 Shares from some of the Selling Shareholders (on a *pro rata* basis to the Existing Offer Shares offered by those Selling Shareholders, subject to a cap for Okil whereby it will not sell more than one-third of its Shares in the Offering) representing up to 15% of the total number of Offer Shares sold in the Offering (before any utilisation of the Over-allotment Option) and in each case at the Offer Price. Shares acquired pursuant to the Over-allotment Option shall be acquired for the purposes, among other things, of meeting over-allotments and to cover short positions in connection with the Offering. Any Shares sold by the Selling Shareholders pursuant to the exercise of the Over-allotment Option will be sold on the same terms and conditions as the Offer Shares being made available by the Selling Shareholders in the Offering, will rank *pari passu* with all such Offer Shares, including for all dividends and other distributions declared, made or paid on such Offer Shares and will form a single class for all purposes with such Shares.

Save as required by any legal or regulatory obligation, neither the Stabilisation Agent nor any of its agents intends to disclose the extent of any over-allotment and/or stabilisation transactions made or carried out in connection with 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 some of the Selling Shareholders (on a *pro rata* basis to the Existing Offer Shares offered by those Selling Shareholders, subject to a cap for Okil whereby it will not sell more than one-third of its Shares in the Offering) through a securities loan to be entered on or around the date of the Underwriting Agreement (the “**Share Lending Agreement**”) to the Stabilisation Agent.

None of the Company, the Selling Shareholders, the Listing and Paying Agent or any of the Underwriters 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, the Selling Shareholders or any of the Underwriters makes any representation that the Stabilisation Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### **Lock-up Arrangements**

The Joint Global Coordinators may, in their sole discretion and at any time, waive the restrictions, including those on sales, issues or transfers of Shares, described below.

Pursuant to the Underwriting Agreement, the Company and the Selling Shareholders (except for Okil) agree with the Underwriters that, for a period commencing on the date of this Prospectus until 180 days after the Settlement Date, they will not, and Okil agrees with the Underwriters that, for a period commencing on the date of this Prospectus until 360 days after the Settlement Date, it will not, except as set out below, without the prior consent

of each of the Joint Global Coordinators, acting on behalf of the Underwriters(i) 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 (ii) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions under (i) or (ii) are to be settled by delivery of the Shares or other securities, in cash or otherwise.

With respect to the Company, the lock-up will not apply to (i) the issue and sale of the New Offer Shares under the Underwriting Agreement, (ii) any issuance or conversion before the Settlement Date to effect the share capital reorganisation as described in this Prospectus, (iii) the grant of options under the Company's employee participation plan within the limits set out herein, (iv) the conditional award of Shares under the Company's long-term incentive plan within the limits set out herein, (v) the sale, transfer or other disposal of Shares by way of acceptance of a public takeover offer, merger or similar business combination with a third party in respect of all of the issued Shares.

With respect to the Selling Shareholders, the foregoing shall not apply to: (i) the sale of the Existing Offer Shares under the Underwriting Agreement, (ii) the lending of the lending shares under the Share Lending Agreement (as defined below), (iii) transfers of Shares by Selling Shareholders to other Selling Shareholders on the Settlement Date in connection with, and to the extent required pursuant to, the economic settlement between the Selling Shareholders of the cancellation of the class A1A ordinary shares and the class A1B ordinary shares, (iv) transfers of Shares by a Selling Shareholder in favour of any entity within such Selling Shareholder's control or under common control with such Selling Shareholder or to one or more persons, whether natural or legal, who are the ultimate beneficial owners of such Selling Shareholder (which includes in respect of Ferskur, Stodir hf., Kaupthing hf. and EAB ehf.), provided such transferee provides undertakings to the Joint Global Coordinators, as representatives of the Underwriters, equivalent to those agreed by the Selling Shareholder, (v) transfers of Shares by a 3i Shareholder to (a) another 3i Shareholder or (b) any of 3i Group plc, any subsidiary undertaking or any parent undertaking of 3i Group plc and any subsidiary undertakings of that parent undertaking or (c) any fund, partnership, investment vehicle or other entity (whether corporate or otherwise) established in any jurisdiction and which is managed by an entity in the 3i group or (d) any company, fund, partnership, investment vehicle or other entity (whether corporate or otherwise) which is controlled by or under common control with the 3i Shareholder or any 3i funds or members of the 3i group, so long as the recipient of such Shares provides undertakings equivalent to those agreed by such 3i Shareholder, and such undertakings are enforceable, and (vi) the sale, transfer or other disposal of Shares by way of acceptance of a (partial) public takeover offer, merger or similar business combination with a third party in respect of all of the issued Shares, or part of the issued Shares in the event of a partial public takeover offer, as permitted by Dutch law.

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.

### **Potential Conflict of Interest**

The Underwriters are acting exclusively for the Company and the Selling Shareholders 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 clients in relation to the Offering and will not be responsible to anyone other than the Company and/or the Selling Shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering and for the listing and trading of the Shares and/or any transaction or arrangement referred to herein.

Certain of the Underwriters and/or their respective affiliates have in the past been engaged, currently are engaged and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities, including hedging, financing and corporate advisory services, in the ordinary course of their business with the Company and/or the Selling Shareholders and certain of their respective affiliates, in respect of which they have received, and may in the future receive, customary fees and commissions.

Credit Suisse International is mandated lead arranger, each of HSBC Bank plc, ABN AMRO Bank N.V. and Société Générale, London Branch are mandated lead arranger and original lender and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. is mandated lead arranger, original lender and agent, under the Revolving Credit Facility. Affiliates of HSBC Bank plc are also acting as lenders under a finance lease facility agreement and commercial mortgage agreement with subsidiaries of the Company.

Additionally, the Underwriters may, in the ordinary course of their business, hold the Company's securities or securities of the Selling Shareholders for investment. Both a subsidiary of JP Morgan Chase & Co, the ultimate parent company of J.P. Morgan Securities plc, and an affiliate of Credit Suisse Securities (Europe) Limited hold ownership interests on behalf of their respective clients in Stodir, one of the entities that owns and controls Ferskur Holding 1 B.V.; neither the subsidiary of JP Morgan Chase & Co nor the affiliate of Credit Suisse Securities (Europe) Limited is the beneficial owner of such ownership interests. As a result of these transactions and services, the Underwriters may come to have interests that may not be aligned or could potentially conflict with potential investors or the Company.

In connection with the Offering, each of the Underwriters 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 Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters 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 Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with investors' interests and the interests of the Company.

ABN AMRO Bank N.V. is not a registered broker-dealer in the US, and therefore, to the extent that it intends to effect any offers or sales of Offer Shares in the US or to US persons, it will do so through its affiliate, ABN AMRO Securities (USA) LLC, a US registered broker-dealers, pursuant to applicable U.S. securities laws.



## 17. SELLING RESTRICTIONS

No action has been taken or will be taken in any jurisdiction outside of the Netherlands by the Company, the Selling Shareholders or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise), the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase Offer Shares must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase Offer Shares should consult their professional adviser without delay.

None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

### **European Economic Area**

In relation to each Relevant Member State of the European Economic Area (other than the Netherlands) which has implemented the Prospectus Directive, an offer to the public of any Shares may not be made in that Relevant Member State unless this Prospectus has been approved by the competent authority in such Relevant Member State or passported and published in accordance with the Prospectus Directive as implemented in such Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (i) to legal entities which are qualified investors as defined in the Prospectus Directive;
- (ii) 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
- (iii) in any other circumstances which do not require the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purpose hereof the expression an "offer of any shares to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

## United Kingdom

Offers of Offer Shares pursuant to the Offering are only being made to persons in the UK who are “qualified investors” within the meaning of section 86 of the UK Financial Services and Markets Act 2000 (“**FSMA**”) or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

This Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with: (i) persons falling within the definition of “investment professionals” in section 19(5); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in section 49(2)(a) to (d), of the UK 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 (in this paragraph, 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.

Each of the Underwriters has: (i) complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK; and (ii) agreed that it has communicated or caused to be communicated and will communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Offer Shares only in circumstances in which section 21(1) of the FSMA does not apply to the Company.

## 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 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. The Offer Shares are being: (i) sold in the United States only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the US Securities Act; and (ii) offered and sold outside the United States to investors in compliance with Regulation S under the US Securities Act. There will be no public offer of the Offer Shares in the United States. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares may be 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.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offer or sale of the Offer Shares within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the US Securities Act.

## Canada

The Offer Shares may not, directly or indirectly, be offered, sold or distributed within Canada, or to, or for the benefit or account of, any resident of Canada, except in compliance with all applicable securities laws, regulations or rules of the provinces and territories of Canada and with the prior approval of the Joint Global Coordinators. This Prospectus, or any other material relating to the Offer Shares, may not be distributed or delivered in Canada, except in compliance with all applicable securities laws, regulations or rules of the provinces and territories of Canada.

Any offer and sale of the Offer Shares in Canada will only be made in the Provinces of Ontario and Québec or to residents thereof and not in, or to the residents of, any other Province or Territory of Canada. Such offers and sales will be made only pursuant to a Canadian offering memorandum consisting of this Prospectus accompanied by a Canadian supplement.

## Japan

The Offer Shares offered by this Prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”). Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including Japanese corporations), or to others for reoffering or resale, directly or indirectly, in Japan or to,

or for the benefit of, any resident in Japan (including Japanese corporations) except with the prior approval of the Joint Global Coordinators and pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and relevant regulations of Japan.

## Australia

This Prospectus: (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (the “**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 and has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (the “**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 exempted 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 under 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 Underwriters and their affiliates that such purchaser or subscriber is an exempted 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, the Underwriters and their affiliates 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 Offer 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.

## Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the “**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for the issuance of prospectuses under section 652a or section 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under section 27ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus 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 Prospectus nor any other offering or marketing material relating to the offering, the Company or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Offer Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, 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.

## Singapore

This Prospectus or any other material relating to the Offer Shares has not been and will not be registered as a prospectus with the monetary authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may any Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act, chapter 289, of Singapore (the “**Securities and Futures Act**”);

- (ii) to a relevant person or any pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Offer Shares are subscribed for or purchased under Section 275 by a relevant person which is:

- (i) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Offer Shares (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 except to an institutional investor or to a relevant person as defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act:

- (i) where no consideration is or will be given for the transfer;
- (ii) where the transfer is by operation of law; or
- (iii) as specified in Section 276(7) of the Securities and Futures Act.

### **Hong Kong**

No Offer Shares have been offered or sold or will be offered or sold in Hong Kong, by means of any document, other than (a) to 'professional investors', as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**"), and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No advertisement, invitation or document relating to the Offer Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' as defined in the Securities and Future Ordinance and any rules made under the Securities and Future Ordinance.

## 18. TRANSFER RESTRICTIONS

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 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:

- (i) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- (ii) the purchaser acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer 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 or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;
- (iii) 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;
- (iv) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;
- (v) the Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- (vi) the purchaser acknowledges that in the event the Offer Shares are held in certificated form, such certificated Offer Shares will bear a legend substantially to the following effect:

**“THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT: (A) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER; (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE); OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THIS SECURITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH INVESTOR IN THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND EACH INVESTOR WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY INVESTOR IN THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS”;**

- (vii) the purchaser acknowledges that the Company and the Selling Shareholders shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;



- (viii) 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
- (ix) the purchaser acknowledges that the Company, the Selling Shareholders, the Underwriters 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:

- (i) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- (ii) 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 or other jurisdiction of the United States and are subject to restrictions on transfer;
- (iii) the purchaser (a) is a QIB (as defined in Rule 144A under the US Securities Act); (b) 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; (c) is acquiring such Offer Shares for its own account or for the account of a QIB with respect to whom it has the authority to make, and does make, the representations and warranties set out in this paragraph; and (d) is acquiring such Offer Shares for investment purposes, and not with a view to further distribution of such Offer Shares;
- (iv) 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;
- (v) 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 (a) 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; (b) in compliance with Regulation S under the US Securities Act; (c) in accordance with Rule 144 under the US Securities Act (if available); or (d) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- (vi) 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;
- (vii) 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;
- (viii) the purchaser acknowledges that the Company and the Selling Shareholders shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;
- (ix) 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 (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well); and
- (x) the purchaser acknowledges that the Company, the Selling Shareholders, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Offer Shares in the Offering.



## 19. TAXATION

### *Taxation in the Netherlands*

*The information set out below is a general summary of certain material Dutch tax consequences in connection with the acquisition, ownership and transfer of the Shares. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of the Shares. Holders of Shares may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of Shares. The summary is based upon the tax laws of the Netherlands as in effect on the date of this Prospectus, including case law and official regulations of the Dutch tax authorities available in printed form on or before such date and now in effect. These tax laws are subject to change, which could apply retroactively and could affect the continuing validity of this summary. All references in this summary to the Netherlands and Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only.*

For Dutch tax purposes, a holder of Shares may include an individual who, or an entity which, does not have the legal title of Shares, but to whom nevertheless Shares are attributed based either on such individual or entity holding a beneficial interest in Shares or based on specific statutory provisions, including statutory provisions pursuant to which Shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds Shares, such as the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

As this summary is intended as general information only, holders of Shares should consult their own tax advisers as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Shares, including, in particular, the application to their particular situations of the tax considerations discussed below.

### *Dividend Withholding Tax*

#### *General*

Dividends paid on Shares to a holder of such Shares are generally subject to withholding tax of 15% imposed by the Netherlands. Generally, the dividend withholding tax will not be borne by the Company, but will be withheld by the Company from the gross dividends paid on Shares. The term ‘dividends’ for this purpose includes, but is not limited to:

- distributions of profits in cash or in kind, deemed and constructive distributions, regardless of their name and form, and repayments of paid-in capital that is not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares by the Company in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the nominal value of shares issued to a shareholder or an increase of the nominal value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes has been made or will be made; and
- partial repayment of paid-in capital recognised for Dutch dividend withholding tax purposes if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the general meeting has resolved in advance to make such a repayment and provided that the nominal value of the shares concerned has been reduced by a corresponding amount by way of an amendment of the Company’s articles of association.

#### *Holder of shares resident in the Netherlands*

A holder of Shares who is, or who is deemed to be, a resident of the Netherlands can generally credit the Dutch dividend withholding tax against his or her Dutch income tax or its Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his or her aggregate Dutch income tax or its Dutch corporate income tax liability, provided certain conditions are met, unless such the holder of Shares who is the recipient of dividends (the “**Recipient**”) is not the beneficial owner of the dividends.

For Dutch dividend withholding tax purposes, the Recipient is deemed not to be the beneficial owner of the dividends if:

- as a consequence of a combination of transactions, an individual or legal entity other than the Recipient wholly or partly, directly or indirectly benefits from the dividends, and
- that other individual or legal entity would:
  - as opposed to the Recipient, not have been entitled to an exemption from Dutch dividend withholding tax; or
  - in comparison to the Recipient, have been entitled to a lesser extent to a credit, reduction or refund of Dutch dividend withholding tax; and
- such individual or legal entity has, directly or indirectly, retained or acquired a similar interest in the Shares.

#### *Holder of shares not resident in the Netherlands*

A holder of Shares, who is not and is not deemed to be a resident of the Netherlands for purposes of Dutch taxation and who is considered to be a resident of: (i) Aruba, Curaçao or St. Maarten under the provisions of the Tax Arrangement for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*); (ii) Bonaire, St. Eustatius or Saba under the provisions of the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*); or (iii) a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with that country, may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Arrangement for the Kingdom of the Netherlands, the Tax Regulation for the country of the Netherlands or an applicable double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax.

In addition, an exemption from Dutch dividend withholding tax generally applies to dividends distributed to certain qualifying entities, provided that the following tests are satisfied:

- (i) the entity is a resident of another EU member state or of a designated state that is a party to the Agreement on the European Economic Area (currently Liechtenstein, Iceland and Norway), according to the tax laws of that state;
- (ii) the entity, at the time of the distribution, has an interest in the Company to which the participation exemption (*deelnemingsvrijstelling*) or the participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) would have been applicable, had it been a tax resident of the Netherlands;
- (iii) the entity does not perform a similar function as an exempt investment institution (*vrijgestelde beleggingsinstelling*) or fiscal investment institution (*fiscale beleggingsinstelling*), as defined in the Dutch Corporate Income Tax Act 1969; and
- (iv) the entity is, in its state of residence, not considered to be resident in a third state other than an EU member state or a designated state that is a party to the Agreement on the European Economic Area under the terms of a double taxation convention concluded with that third state.

The exemption from Dutch dividend withholding tax is not available if pursuant to a provision for the prevention of fraud or abuse included in a double taxation convention between the Netherlands and the country of residence of that non-resident holder of Shares, the holder would not be entitled to the reduction of tax on dividends provided for by that double taxation convention. Furthermore, the exemption from Dutch dividend withholding tax will not be available in case the Recipient is not or is deemed not to be the beneficial owner of the dividend.

Furthermore, certain entities that are resident in: (i) another EU member state; (ii) a designated state that is a party to the Agreement on the European Economic Area; or (iii) a designated jurisdiction which has an arrangement for the exchange of tax information with the Netherlands, provided that such entity holds Shares as portfolio investment (i.e. such Shares are not held with a view to the establishment or maintenance of lasting and direct economic links between such holder of Shares and the Company and the Shares do not allow the holder of Shares to participate effectively in the management or control of the Company); and that are not subject to taxation levied by reference to profits in their state of residence, may be entitled to a refund of Dutch dividend withholding tax, provided:

- (i) such entity, had it been a resident in the Netherlands, would not be subject to corporate income tax in the Netherlands;

- (ii) such entity does not perform a similar function to that of a fiscal investment institution (*fiscale beleggingsinstelling*) or an exempt investment institution (*vrijgestelde beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*); and
- (iii) certain administrative conditions are met.

The refund of Dutch dividend withholding tax described in the preceding paragraph will not be available in case the Recipient is not or is deemed not to be the beneficial owner of the dividend.

Dividend distributions to a US holder of Shares (with an interest of less than 10% of the voting rights in the Company) are subject to 15% dividend withholding tax, which is equal to the rate such US holder may be entitled to under the Convention Between the Kingdom of the Netherlands and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, executed in Washington on December 18, 1992, as amended from time to time (the “**Netherlands-US Convention**”). As such, there is no need to claim a refund of the excess of the amount withheld over the tax treaty rate.

On the basis of section 35 of the Netherlands-US Convention, qualifying US pension trusts are under certain conditions entitled to a full exemption from Dutch dividend withholding tax. Such qualifying exempt US pension trusts must provide the Company form IB 96 USA, along with a valid certificate, for the application of relief at source from dividend withholding tax. If the Company receives the required documentation prior to the relevant dividend payment date, then the Company may apply such relief at source. If a qualifying exempt US pension trust fails to satisfy these requirements prior to the payment of a dividend, then such qualifying exempt US pension trust may claim a refund of Dutch dividend withholding tax by filing form IB 96 USA with the Dutch tax authorities. On the basis of section 36 of the Netherlands-US Convention, qualifying exempt US organisations are under certain conditions entitled to a full exemption from Dutch dividend withholding tax. Such qualifying exempt US organisations are not entitled to claim relief at source, and instead must claim a refund of Dutch dividend withholding tax by filing form IB 95 USA with the Dutch tax authorities.

Furthermore, the full or partial exemption from, reduction or refund of Dutch dividend withholding tax for US holders of Shares, as described in the preceding paragraphs, will not be available in case the Recipient is not or is deemed not to be the beneficial owner of the dividend.

### ***Taxes on Income and Capital Gains***

#### *Excluded holders of Shares*

The description of taxation set out in this section “*Taxes on Income and Capital Gains*” is not intended for a holder of Shares who:

- is an individual and for whom the income or capital gains derived from Shares are attributable to employment activities, the income from which is taxable in the Netherlands;
- is an individual who holds a Substantial Interest or a deemed Substantial Interest in the Company (as defined and explained below);
- is an entity that is not a resident of the Netherlands which holds a Substantial Interest or a deemed Substantial Interest in the Company mainly with a view to avoiding Dutch income tax or Dutch dividend withholding tax of another person and the Substantial Interest does not form part of the assets of an enterprise of the holder;
- is an entity that is a resident or deemed to be a resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- is an entity for which the income and/or capital gains derived in respect of Shares are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- is a fiscal investment institution (*fiscale beleggingsinstelling*) or an exempt investment institution (*vrijgestelde beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*); or
- is an entity resident of Aruba, Curaçao or St. Maarten, having an enterprise carried on through a permanent establishment or a permanent representative in Bonaire, St. Eustatius or Saba to which enterprise the Shares are attributable.

Generally, a Substantial Interest in the Company is present if the holder of Shares, and where the holder is an individual, alone or together with his or her partner (statutorily defined term), holds directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of a class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the Company's total issued and outstanding capital (or the issued and outstanding capital of a class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the Company's annual profit or liquidation proceeds. A holder of Shares who is an individual also has a Substantial Interest in the Company if certain relatives of that holder or of his or her partner have a Substantial Interest in the Company.

If a holder of Shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognising taxable gain.

#### *Dutch Resident Individuals*

An individual who is resident or deemed to be resident in the Netherlands (a **"Dutch Resident Individual"**) and who holds Shares is subject to Dutch income tax on income or capital gains derived or deemed to be derived from the Shares at the progressive rate (up to 52% – rate for 2015) if:

- the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Shares are attributable; or
- the holder derives income or capital gains from the Shares, as the case may be, that are taxable as benefits from 'miscellaneous activities' (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001; *Wet inkomstenbelasting 2001*), which include the performance of activities with respect to the Shares, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also include benefits resulting from a lucrative interest (*lucratief belang*).

If neither condition (i) nor condition (ii) mentioned above applies, a holder of Shares who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income or capital gains derived from the Shares. This deemed return on income from savings and investments (*sparen en beleggen*) has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets (including the Shares) less the fair market value of certain qualifying liabilities held by the Dutch Resident Individual, both determined on 1 January of the relevant year. The deemed return of 4% will be taxed at a rate of 30% (rate for 2015).

#### *Dutch Resident Entities*

An entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes (a **"Dutch Resident Entity"**), will generally be subject to Dutch corporate income tax with respect to income and capital gains derived or deemed to be derived from the Shares. The Dutch corporate income tax rate is 20% for the first EUR200,000 of taxable income and 25% for taxable income exceeding EUR200,000 (rates applicable for 2015).

#### *Non-Dutch Residents*

A holder of Shares who is not a Dutch Resident Individual or a Dutch Resident Entity, (a **"Non-Dutch Resident"**) is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax as described above) with respect to the income and capital gains derived from the Shares, provided that:

- such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable;
- in case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Shares, as the case may be, that are taxable as benefits from 'miscellaneous activities in the Netherlands' (*resultaat uit overige werkzaamheden in Nederland*, as defined in the Dutch Income Tax Act

2001 (*Wet op de inkomstenbelasting 2001*)), which include the performance of activities in respect of the Shares, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*);

- in case of a Non-Dutch Resident who is an individual, such individual is neither entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Shares or payments in respect of the Shares are attributable; and
- in case of a Non-Dutch Resident which is an entity, such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the Shares, or payments in respect of the Shares, as the case may be, are attributable.

### ***Gift and Inheritance Taxes***

#### ***Dutch Residents***

Generally, gift tax (*schenkelasting*) and inheritance tax (*erfbelasting*) may arise in the Netherlands with respect to a transfer of the Shares by way of a gift by, or, on the death of, a holder of Shares who is resident or deemed to be resident in the Netherlands for the purpose of the Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his or her death.

#### ***Non-Dutch Residents***

No Dutch gift or inheritance taxes will be levied on the transfer of Shares by way of gift by or on the death of a holder, who is neither a resident nor deemed to be a resident of the Netherlands for purposes of the relevant provisions, unless:

- (i) the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for purposes of the relevant provisions; or
- (ii) such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Shares.

For purposes of the Netherlands Gift and Inheritance Tax Act 1956, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands. Applicable tax treaties may override deemed residency. A gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

### ***Value Added Tax***

In general, no value added tax will arise in respect of payments in consideration for the issue of the Shares, in respect of a cash payment made under the Shares or in respect of a transfer of Shares.

### ***Other Taxes and Duties***

No registration tax, transfer tax, capital tax, customs duty, stamp duty or any other similar tax or duty will be payable in the Netherlands by a holder of Shares solely by reason of the acquisition, ownership or transfer of Shares.

### ***Residency***

A holder of Shares will not become a resident or deemed resident of the Netherlands solely by reason of holding the Shares.



## **Certain United States Federal Income Tax Consequences to United States Holders**

**This disclosure is limited to the United States federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the United States federal tax treatment of the Offer Shares. Prospective investors should seek their own advice based on their particular circumstances from independent tax advisers.**

The following describes certain United States federal income tax consequences of the ownership and disposition of the Offer Shares as of the date hereof. The discussion set out below is applicable only to United States Holders (as defined below). Except where noted, this discussion deals only with Offer Shares held as capital assets by a United States Holder. As used herein, the term ‘United States Holder’ means a holder of Offer Shares that is for United States federal income tax purposes:

- (i) an individual citizen or resident of the United States;
- (ii) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or
- (iv) a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust; or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This discussion does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organisation;
- a person holding the Offer Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who owns or is deemed to own 10% or more of the Company’s voting stock;
- a partnership or other pass-through entity for United States federal income tax purposes; or
- a person whose ‘functional currency’ is not the United States dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (in this section referred to as the “**Code**”), and regulations, rulings and judicial decisions promulgated thereunder as of the date hereof, and such authorities may be replaced, revoked or modified so as to result in United States federal income tax consequences different from those discussed below.

If an entity treated as a partnership for US federal income tax purposes holds the Offer Shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the Offer Shares, you should consult your tax advisers.

This discussion does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income or the effects of any state, local or non-United States tax laws. If you are considering the purchase, ownership or disposition of the Offer Shares, you should consult your own tax advisers concerning the United States federal income tax consequences to you in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.



### ***Taxation of Dividends***

The gross amount of distributions on the Offer Shares (including any amounts withheld to reflect Dutch withholding taxes) will be taxable as dividends to the extent paid out of the current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code.

With respect to non-corporate United States investors, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The United States Treasury Department has determined that the US-Dutch Treaty meets these requirements, and the Company believes it is eligible for the benefits of that treaty. However, non-corporate holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as ‘investment income’ pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period requirement has been met.

The amount of any dividend paid in euros will equal the United States dollar value of the euros received calculated by reference to the exchange rate in effect on the date the dividend is received by you, regardless of whether the euros are converted into United States dollars. If the euros received as a dividend are converted into United States dollars on the date they are received, you generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the euros received as a dividend are not converted into United States dollars on the date of receipt, you will have a basis in the euros equal to their United States dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the euros will be treated as United States source ordinary income or loss.

Subject to certain conditions and limitations, Dutch withholding taxes on dividends may be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the Offer Shares will be treated as income from sources outside the United States and will generally constitute passive category income. However, in certain circumstances, if you have held the Offer Shares for less than a specified minimum period during which you are not protected from risk of loss, or you are obligated to make payments related to the dividends, you will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on the Offer Shares. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisers regarding the availability of the foreign tax credit under your particular circumstances.

To the extent that the amount of any distribution exceeds the Company’s current and accumulated earnings and profits for a taxable year, as determined under United States federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the Offer Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain recognised on a sale or exchange. The Company does not expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, you should expect that a distribution will generally be treated as a dividend (as discussed above).

### ***Passive Foreign Investment Company Rules***

In general, a corporation organised outside the United States will be treated as a passive foreign investment company (“PFIC”) for United States federal income tax purposes in any taxable year in which either (i) at least 75% of its gross income is “passive income” or (ii) on average at least 50% of the value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents, and gains from commodities transactions and from the sale or exchange of property that gives rise to passive income. In determining whether a non-United States corporation is a PFIC, a *pro rata* portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Based on the present nature of its activities, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ended 31 December 2014 and does not expect to become a PFIC for the current year or for any future taxable year. There can be no assurances, however, that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is or becomes a PFIC, you could be subject to additional United States federal income taxes on gain recognised with respect to the Offer Shares and on certain distributions, plus an interest charge on certain taxes treated as having been deferred under the PFIC rules. Non-corporate United States Holders will not be eligible for reduced rates of taxation on any dividends received from the Company if the Company is a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. United States Holders should consult with their tax advisers regarding the application of the PFIC rules to their investment in the Offer Shares.

### ***Taxation of Capital Gains***

For United States federal income tax purposes, you will recognise taxable gain or loss on the sale, exchange or other taxable disposition of the Offer Shares in an amount equal to the difference between the amount realised for the Offer Shares and your tax basis in the Offer Shares. Such gain or loss will generally be capital gain or loss. Capital gains of non-corporate United States Holders (including individuals) derived with respect to capital assets held for more than one year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by you will generally be treated as United States source gain or loss. Accordingly, you may not be able to use the foreign tax credit arising from any foreign tax imposed on the sale, exchange or other taxable disposition of the Offer Shares unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

A United States Holder that receives non-United States currency from a sale, exchange or other taxable disposition of Shares generally will realise an amount equal to the United States dollar value of the non-United States currency on the date of disposition or, if such United States Holder is a cash basis or electing accrual basis taxpayer and the Shares are treated as being traded on an established securities market for this purpose, the settlement date. If the Shares are so treated and the non-United States currency received is converted into United States dollars on the settlement date, a cash basis or electing accrual basis United States Holder will not recognise foreign currency gain or loss on the conversion. If the non-United States currency received is not converted into United States dollars on the settlement date, the United States Holder will have a basis in the non-United States currency equal to the United States dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-United States currency generally will be treated as ordinary income or loss to such United States Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

### ***Backup Withholding and Information Reporting***

In general, information reporting will apply to dividends in respect of the Offer Shares and the proceeds from the sale, exchange or redemption of the Offer Shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. Backup withholding may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or fail to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the US Internal Revenue Service (“IRS”).

### ***Reportable Transactions***

A United States Holder that participates in any “reportable transaction” (as defined in United States Treasury regulations) must attach to its United States federal income tax return a disclosure statement on IRS Form 8886. United States Holders should consult their own tax advisers as to the possible obligation to file IRS Form 8886 with respect to the sale, exchange or other disposition of any foreign currency received as a dividend on, or as proceeds from the sale of, Shares.

***Foreign Financial Assets Reporting***

Certain United States 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). United States Holders should consult their tax advisers regarding their reporting obligations with respect to their ownership and disposition of the Offer Shares.

## 20. GENERAL INFORMATION

### Corporate Resolutions

It is expected that prior to Settlement, the General Meeting will adopt a resolution to issue New Offer Shares aimed at gross proceeds of EUR 100 million and to exclude all pre-emptive rights in relation to the issuance of these New Offer Shares.

The Executive Board is authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire Shares up to a maximum of 10% of the number of Shares issued as of the Settlement Date and to exclude pre-emptive rights in relation thereto. The Executive Board is authorised for a period of 18 months following the Settlement Date, to cause the Company to acquire the Company's own Shares (including Shares issued as stock dividend), subject to the approval of the Supervisory Board, up to a maximum of 10% of the issued share capital at the Settlement Date, provided the Company will hold no more Shares in stock than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

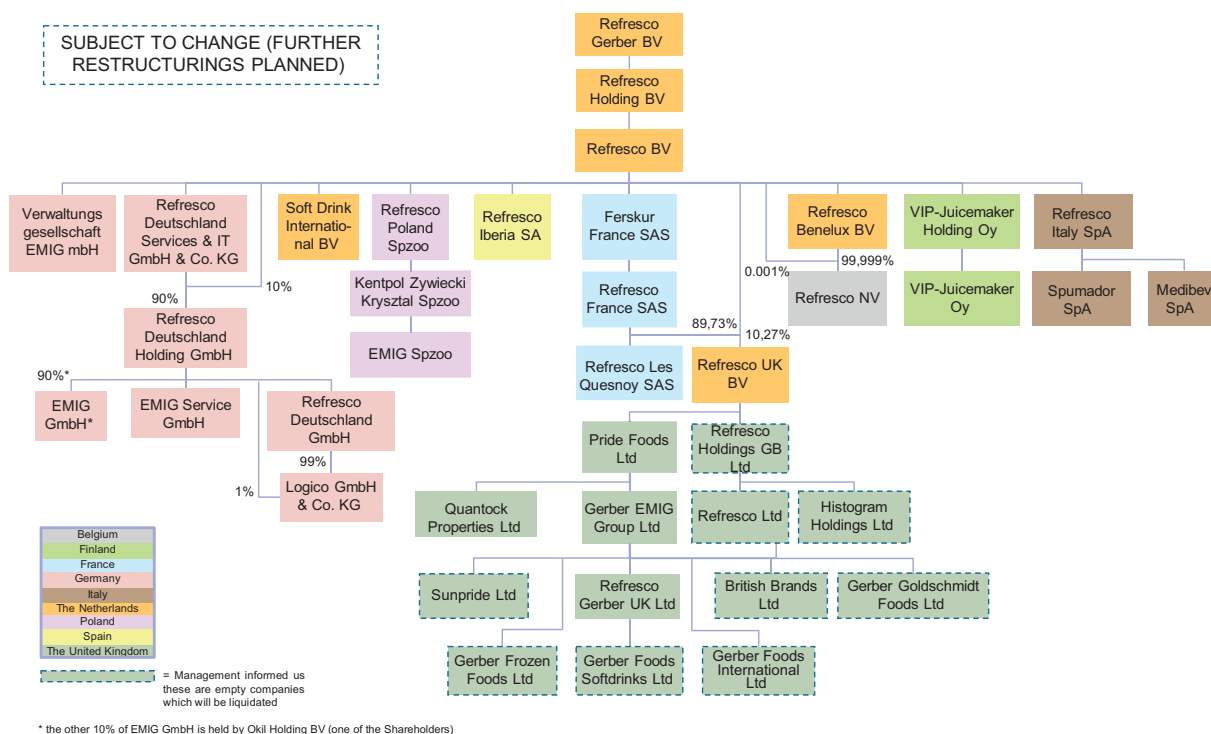
Certain aspects of taxation of the acquisition by the Company of its Shares are described in the section "Taxation" of this Prospectus.

### Organisational Structure and Significant Subsidiaries

The Company is currently in the process of restructuring its Group. At 31 December 2014, the Polish company EMIG Sp. Z o.o. was transferred from Gerber EMIG Group Limited to Kentpol Zywiecki Kryształ Sp. Z o.o., to align the ownership structure with its Polish operations. The Company also contemplates liquidating, in the near future, nine companies based in the UK as they have little to no assets. After these liquidations, four entities will constitute operations of the Company in the UK.

The Company might envisage further simplifications of its structure through mergers and liquidations when it will be beneficial.

The chart below sets out the Group's structure as of the date of this Prospectus.



### **Independent Auditors**

The Company's consolidated financial statements for the years ended 31 December 2013 and 2012 have been audited by PwC, independent auditors. The Company's consolidated financial statements for the year ended 31 December 2014 have been audited by EY, independent auditors. The auditors of PwC and EY are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). The Company discontinued its long-standing relationship with PwC as its independent auditor, as it would have otherwise be obliged to switch from independent auditor in 2016 as a result of new legislation.

PwC is located at Fascinatio Boulevard 350, 3065 WB Rotterdam, the Netherlands.

EY is located at Boompjes 258, 3011 XZ Rotterdam, the Netherlands.

PwC has issued unqualified independent auditor's reports on the consolidated financial statements for the years ended 31 December 2013 and 2012, dated 20 March 2014 and 20 March 2013, respectively. EY has issued an unqualified independent auditor's report on the consolidated financial statements for the year ended 31 December 2014, dated 19 February 2015.

### **No Significant Change**

No significant change in the financial or trading position of the Group has occurred since 31 December 2014.

### **Legal Matters**

Certain legal matters in connection with the Offering will be passed upon for the Company with respect to Dutch and US and English law by Allen & Overy LLP.

Certain legal matters in connection with the Offering will be passed upon for the Underwriters with respect to Dutch law by Linklaters LLP and with respect to US and English law by Latham & Watkins (London) LLP.

### **Expenses of the Offering**

The expenses related to the Offering are estimated at up to EUR26.1 million (which includes all costs incurred by the Selling Shareholders which will be paid by the Company) and include, among other items, the fees due to AFM and Euronext Amsterdam, the commission for the Underwriters, refinancing costs and legal and administrative expenses, as well as publication costs and applicable taxes, if any.

### **Availability of Documents**

Copies of the Articles of Association (in Dutch, and an unofficial English translation) and the relevant sections from the Company's annual report for 2012 (see "*Important Information – Incorporation by Reference*") are available in electronic form from the Company's website at [www.refrescogerber.com](http://www.refrescogerber.com).

Copies of this Prospectus and any supplement to this Prospectus (if any) may be obtained at no cost from the date of this Prospectus at the Company's head office during normal business hours for the life of this Prospectus. Alternatively, this Prospectus can also be accessed electronically on the website of the Company at [www.refrescogerber.com](http://www.refrescogerber.com).

## 21. DEFINITIONS

|                                           |                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3i Shareholders</b>                    | 3i GC Holdings Ref 1 S.à r.l. and 3i GC Holdings Ref 2 S.à r.l. jointly                                                                                                                                                                                                                                                  |
| <b>Additional Shares</b>                  | up to 5,793,446 additional existing Shares held by the Selling Shareholders comprising up to 15% of the total number of Offer Shares sold in the Offering, which the Selling Shareholders may be required to sell pursuant to the Over-allotment Option                                                                  |
| <b>AFM</b>                                | the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )                                                                                                                                                                                                                         |
| <b>Allocation</b>                         | the allocation of the Offer Shares and, if applicable, the Additional Shares to investors                                                                                                                                                                                                                                |
| <b>A-PET</b>                              | aseptic PET                                                                                                                                                                                                                                                                                                              |
| <b>Articles of Association</b>            | the articles of association of the Company that will become effective on the Settlement Date                                                                                                                                                                                                                             |
| <b>Audit Committee</b>                    | the audit committee of the Supervisory Board                                                                                                                                                                                                                                                                             |
| <b>Central Works Council</b>              | the central works council of the Group                                                                                                                                                                                                                                                                                   |
| <b>CET</b>                                | Central European Time                                                                                                                                                                                                                                                                                                    |
| <b>Company</b>                            | Refresco Gerber N.V. (at the date of this Prospectus still a private company with limited liability named Refresco Gerber B.V.) and, as the context requires, any or all of its subsidiaries, taken as a whole                                                                                                           |
| <b>Conversion</b>                         | the conversion of the Company 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                                                                                                                   |
| <b>CSD</b>                                | carbonated soft drinks                                                                                                                                                                                                                                                                                                   |
| <b>DCC</b>                                | the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> )                                                                                                                                                                                                                                                                       |
| <b>Decree</b>                             | the Dutch Financial Supervision Act Decree on Market Abuse ( <i>Besluit Marktmissbruik Wft</i> )                                                                                                                                                                                                                         |
| <b>Dutch Financial Supervision Act</b>    | the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the rules promulgated thereunder                                                                                                                                                                                                       |
| <b>Dutch Resident Entity</b>              | an entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes                                                                                                                                                                                                           |
| <b>Dutch Resident Individual</b>          | an individual who is resident or deemed to be resident in the Netherlands, or who opts to be taxed as a resident of the Netherlands for purposes of Dutch taxation                                                                                                                                                       |
| <b>Dutch Retail Investor</b>              | a Dutch retail investor is either: (i) a natural person resident in the Netherlands; or (ii) 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 |
| <b>Dutch Securities Giro Transfer Act</b> | the Dutch Securities Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> )                                                                                                                                                                                                                                             |
| <b>EEA</b>                                | European Economic Area                                                                                                                                                                                                                                                                                                   |



|                              |                                                                                                                                                                                                                                                             |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Enterprise Chamber</b>    | the enterprise chamber of the court of appeal in Amsterdam ( <i>Ondernemingskamer van het Gerechtshof te Amsterdam</i> )                                                                                                                                    |
| <b>EU</b>                    | the European Union                                                                                                                                                                                                                                          |
| <b>EUR or euro</b>           | the currency of the European Monetary Union                                                                                                                                                                                                                 |
| <b>Euroclear Nederland</b>   | <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> trading as Euroclear Nederland, the Dutch depositary and settlement institute, a subsidiary of Euroclear                                                                              |
| <b>Euronext Amsterdam</b>    | Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V.                                                                                                                                                                                  |
| <b>Executive Board</b>       | the executive board ( <i>raad van bestuur</i> ) of the Company                                                                                                                                                                                              |
| <b>Existing Offer Shares</b> | up to 30,930,662 ordinary shares in the capital of the Company offered by the Selling Shareholders                                                                                                                                                          |
| <b>EY</b>                    | Ernst & Young Accountants LLP                                                                                                                                                                                                                               |
| <b>FCOJ</b>                  | frozen concentrated orange juice                                                                                                                                                                                                                            |
| <b>Ferskur</b>               | Ferskur Holding 1 B.V.                                                                                                                                                                                                                                      |
| <b>FSMA</b>                  | the UK Financial Services and Markets Act 2000                                                                                                                                                                                                              |
| <b>First Trading Date</b>    | the date that trading in the Shares on an “as-if-and-when-issued/delivered” basis on Euronext Amsterdam is expected to commence which, subject to acceleration or extension of the timetable for the Offering, is expected to be on or around 27 March 2015 |
| <b>Fixed Rate Notes</b>      | the 7.375% senior secured notes issued by the Company on 16 May 2011, in aggregate principal amount of EUR360 million                                                                                                                                       |
| <b>Floating Rate Notes</b>   | the senior secured floating rate notes issued by the Company on 16 May 2011, in aggregate principal amount of EUR300 million                                                                                                                                |
| <b>FRSA</b>                  | the Dutch Financial Reporting Supervision Act ( <i>Wet toezicht financiële verslaggeving</i> )                                                                                                                                                              |
| <b>General Meeting</b>       | the general meeting of Shareholders ( <i>algemene vergadering van aandeelhouders</i> ) of the Company being the corporate body or, where the context so requires, the physical meeting of shareholders of the Company                                       |
| <b>Gerber</b>                | Gerber Emig, the group of companies previously headed by Pride Foods Ltd, acquired by the Company in 2013.                                                                                                                                                  |
| <b>Godetia</b>               | Godetia II B.V.                                                                                                                                                                                                                                             |
| <b>Group</b>                 | the Company and its subsidiaries                                                                                                                                                                                                                            |
| <b>Group Companies</b>       | the Company’s subsidiaries that have been consolidated in the Group’s financial statements                                                                                                                                                                  |
| <b>IFRS</b>                  | International Financial Reporting Standards as adopted by the European Union                                                                                                                                                                                |

|                                  |                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Indenture</b>                 | the New York law governed indenture dated 16 May 2011 among the Company (as issuer), certain subsidiaries of the Company (as guarantors), Deutsche Trustee Company Limited (as trustee), Deutsche Bank AG, London Branch (as security agent, transfer agent and principal paying agent) and Deutsche Bank Luxembourg S.A. (as registrar) |
| <b>ISIN</b>                      | International Security Identification Number                                                                                                                                                                                                                                                                                             |
| <b>Joint Bookrunners</b>         | J.P. Morgan Securities plc, Credit Suisse Securities (Europe) Limited, ABN AMRO Bank N.V. and HSBC Bank plc., in their capacity as joint bookrunners                                                                                                                                                                                     |
| <b>Joint Global Coordinators</b> | J.P. Morgan Securities plc and Credit Suisse Securities (Europe) Limited, in their capacity as joint global coordinators                                                                                                                                                                                                                 |
| <b>Listing and Paying Agent</b>  | ABN AMRO Bank N.V.                                                                                                                                                                                                                                                                                                                       |
| <b>LPB</b>                       | liquid packaging board, a carton type used as packaging for beverages                                                                                                                                                                                                                                                                    |
| <b>Member State</b>              | a member state of the EEA                                                                                                                                                                                                                                                                                                                |
| <b>Netherlands-US Convention</b> | the Convention Between the Kingdom of the Netherlands and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, executed in Washington on 18 December 1992, as amended from time to time                                                                          |
| <b>New Offer Shares</b>          | ordinary shares in the capital of the Company offered by the Company for subscription, aimed at gross proceeds of approximately EUR100 million.                                                                                                                                                                                          |
| <b>NFC</b>                       | not-from-concentrate, i.e. fruit or vegetable juices that have not been reconstituted from frozen concentrates.                                                                                                                                                                                                                          |
| <b>Non-Dutch Resident</b>        | a holder of Shares who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity                                                                                                                                                                                                                                  |
| <b>Notes</b>                     | the Fixed Rate Notes and Floating Rate Notes                                                                                                                                                                                                                                                                                             |
| <b>Offer Period</b>              | the period during which the Offering will take place, commencing on 17 March 2015 at 9:00 CET and ending on 26 March 2015 at 13:00 CET, subject to acceleration or extension of the timetable for the Offering                                                                                                                           |
| <b>Offer Price</b>               | the price of the Offer Shares and, if applicable, the Additional Shares, to be determined after the Offer Period has ended                                                                                                                                                                                                               |
| <b>Offer Price Range</b>         | the range of the Offer Price from EUR13 to EUR16 (inclusive) per Offer Share                                                                                                                                                                                                                                                             |
| <b>Offer Shares</b>              | the New Offer Shares together with the Existing Offer Shares and, unless the context indicates otherwise, the Additional Shares                                                                                                                                                                                                          |
| <b>Offering</b>                  | the initial public offer to subscribe for Offer Shares                                                                                                                                                                                                                                                                                   |
| <b>Okil</b>                      | Okil Holding B.V.                                                                                                                                                                                                                                                                                                                        |
| <b>Over-allotment Option</b>     | the option to be granted to the Joint Global Coordinators, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price Additional Shares held by the Selling Shareholders          |

|                                              |                                                                                                                                                                                                                      |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PET</b>                                   | a polyester plastic used for producing bottles                                                                                                                                                                       |
| <b>PFIC</b>                                  | passive foreign investment company                                                                                                                                                                                   |
| <b>Preferential Retail Allocation</b>        | the preferential allocation of Offer Shares to Dutch Retail Investors                                                                                                                                                |
| <b>Pricing Agreement</b>                     | the pricing agreement relating to the pricing and number of Offer Shares and Additional Shares to be entered by the Company, the Selling Shareholders and the Underwriters                                           |
| <b>Pricing Statement</b>                     | a pricing statement that sets out the Offer Price and the exact number of Offer Shares, that will be deposited with the AFM and published in a press release on the Company's website and on the website of Euronext |
| <b>Prospectus</b>                            | this prospectus dated 17 March 2015                                                                                                                                                                                  |
| <b>Prospectus Directive</b>                  | EU Prospectus Directive 2003/71/EC                                                                                                                                                                                   |
| <b>PwC</b>                                   | PricewaterhouseCoopers Accountants N.V.                                                                                                                                                                              |
| <b>QIB</b>                                   | a Qualified Institutional Buyer as defined in Rule 144A                                                                                                                                                              |
| <b>Refresco</b>                              | the Company                                                                                                                                                                                                          |
| <b>Refresco Gerber</b>                       | the Company                                                                                                                                                                                                          |
| <b>Regulation S</b>                          | Regulation S under the US Securities Act                                                                                                                                                                             |
| <b>Relationship Agreement</b>                | the relationship agreement between the Company, the 3i Shareholders, Tamoia and Ferskur entered into prior to the date of this Prospectus                                                                            |
| <b>Relevant Member State</b>                 | each member state of the EEA that has implemented the Prospectus Directive                                                                                                                                           |
| <b>Remaining Shares</b>                      | remaining Shares held by Selling Shareholders immediately after the closing of the Offering                                                                                                                          |
| <b>Remuneration and Nominating Committee</b> | the Remuneration and Nominating Committee of the Supervisory Board                                                                                                                                                   |
| <b>Retail Coordinator</b>                    | ABN AMRO Bank N.V., acting as the bank coordinating demands sourced by the banks participating in the public offering to retail investors in the Netherlands                                                         |
| <b>Revolving Credit Facility</b>             | the EUR75 million revolving credit facility agreement among seven European banks and the Company                                                                                                                     |
| <b>Rule 144A</b>                             | Rule 144A under the US Securities Act                                                                                                                                                                                |
| <b>SEC</b>                                   | United States Securities and Exchange Commission                                                                                                                                                                     |
| <b>Securities and Future Ordinance</b>       | the Hong Kong Securities and Future Ordinance                                                                                                                                                                        |
| <b>Selling Shareholders</b>                  | Ferskur, Tamoia, 3i GC Holdings Ref 2 S.à r.l., 3i GC Holdings Ref 1 S.à r.l., Okil Holding B.V. and Godetia II B.V.                                                                                                 |

|                                |                                                                                                                                                                                                                                                    |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Settlement</b>              | payment for and issue and delivery of the Offer Shares                                                                                                                                                                                             |
| <b>Settlement Date</b>         | the date on which the Offer Shares will be received by investors, which, subject to acceleration or extension of the timetable of the Offering, is expected to be on or around 31 March (the second business day following the First Trading Date) |
| <b>Shares</b>                  | the issued and outstanding ordinary shares in the capital of the Company with a nominal value of EUR0.12 each                                                                                                                                      |
| <b>Share Lending Agreement</b> | a securities loan to be entered on or around the date of the Underwriting Agreement through which the Selling Shareholders make available up to a maximum of 15% of the total number of Offer Shares in connection with the Over-allotment Option  |
| <b>Shareholder</b>             | a holder of at least one Share                                                                                                                                                                                                                     |
| <b>Shareholders Agreement</b>  | Shareholders agreement dated 16 March 2015 among Tamoa, the 3i Shareholders and Ferskur, and Ferskur's shareholders Kaupthing Hf., Stodir Hf. and EAB 1 ehf., relating to certain matters concerning their shareholdings in the Company            |
| <b>Stabilisation Agent</b>     | J.P. Morgan Securities plc                                                                                                                                                                                                                         |
| <b>Supervisory Board</b>       | the supervisory board ( <i>raad van commissarissen</i> ) of the Company                                                                                                                                                                            |
| <b>Tamoa</b>                   | Tamoa Limited                                                                                                                                                                                                                                      |
| <b>UK</b>                      | the United Kingdom                                                                                                                                                                                                                                 |
| <b>Underwriters</b>            | J.P. Morgan Securities plc, Credit Suisse Securities (Europe) Limited, ABN AMRO Bank N.V., HSBC Bank plc, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and Société Générale                                                                |
| <b>Underwriting Agreement</b>  | underwriting agreement between the Company, the Selling Shareholders and the Joint Global Coordinators on behalf of the Underwriters dated 17 March 2015                                                                                           |
| <b>US, United States</b>       | the United States of America                                                                                                                                                                                                                       |
| <b>US dollar</b>               | the US Dollar, the lawful currency in the US                                                                                                                                                                                                       |
| <b>US Securities Act</b>       | the United States Securities Act of 1933, as amended                                                                                                                                                                                               |
| <b>US-Dutch Treaty</b>         | the current income tax treaty between the United States of America and the Netherlands                                                                                                                                                             |
| <b>VAT</b>                     | Value Added Tax                                                                                                                                                                                                                                    |

## **22. FINANCIAL STATEMENTS**

1. FINANCIAL STATEMENTS 2014
2. FINANCIAL STATEMENTS 2013



# FINANCIAL REVIEW 2014





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## FINANCIAL STATEMENTS

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# Consolidated income statement

For the year ended December 31, 2014

| EUR million                                                                                               |      | 2014           | 2013           |
|-----------------------------------------------------------------------------------------------------------|------|----------------|----------------|
|                                                                                                           | Note |                |                |
| <b>Revenue</b>                                                                                            | 4.1  | <b>2,036.9</b> | <b>1,587.6</b> |
| Other income                                                                                              | 4.2  | -              | 0.3            |
| Raw materials and consumables used                                                                        | 4.3  | (1,186.5)      | (971.8)        |
| Employee benefits expense                                                                                 | 4.4  | (226.8)        | (173.9)        |
| Depreciation, Amortization and impairments                                                                | 4.5  | (87.8)         | (86.3)         |
| Other operating expenses                                                                                  | 4.6  | (429.0)        | (331.5)        |
| <b>Operating profit</b>                                                                                   |      | <b>106.8</b>   | <b>24.4</b>    |
| Finance income                                                                                            | 4.7  | 0.2            | 0.3            |
| Finance expense                                                                                           | 4.7  | (49.6)         | (45.9)         |
| <b>Net finance costs</b>                                                                                  |      | <b>(49.4)</b>  | <b>(45.6)</b>  |
| <b>Profit/(loss) before income tax</b>                                                                    |      | <b>57.4</b>    | <b>(21.2)</b>  |
| Income tax (expense)/benefit                                                                              | 4.8  | (20.9)         | (7.6)          |
| <b>Profit/(loss) for the year from continuing operations</b>                                              |      | <b>36.5</b>    | <b>(28.8)</b>  |
| <b>Profit/(loss) for the year from discontinued operations</b>                                            | 5.8  | <b>2.2</b>     | <b>(0.1)</b>   |
| <b>Profit/(loss) for the year</b>                                                                         |      | <b>38.7</b>    | <b>(28.9)</b>  |
| <b>Profit/(loss) attributable to:</b>                                                                     |      |                |                |
| Owners of the Company                                                                                     |      | 38.6           | (28.4)         |
| Non-controlling interest                                                                                  |      | 0.1            | (0.5)          |
| <b>Profit/(loss) for the year</b>                                                                         |      | <b>38.7</b>    | <b>(28.9)</b>  |
| <b>Earnings per share</b>                                                                                 |      |                |                |
| Basic and diluted profit for the year attributable to ordinary equity holders of the parent               | 5.9  | 0.02           | (0.09)         |
| Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent | 5.9  | 0.02           | (0.09)         |

The notes on page 71 to page 126 are an integral part of these consolidated financial statements.

# Consolidated statement of other comprehensive income

For the year ended December 31, 2014

| EUR million                                                                        |      | 2014         | 2013          |
|------------------------------------------------------------------------------------|------|--------------|---------------|
|                                                                                    | Note |              |               |
| <b>Profit/(loss)</b>                                                               |      | <b>38.7</b>  | <b>(28.9)</b> |
| <b>Items that will not be reclassified to profit or loss</b>                       |      |              |               |
| Remeasurements of post employment benefit obligations                              | 5.9  | (3.2)        | (8.2)         |
| Income tax (expenses)/benefits                                                     | 5.9  | 1.2          | 2.1           |
| <b>Total</b>                                                                       |      | <b>(2.0)</b> | <b>(6.1)</b>  |
| <b>Items that may be subsequently reclassified to profit or loss</b>               |      |              |               |
| Cashflow hedges                                                                    | 5.9  | 6.9          | 3.4           |
| Foreign currency translation differences for foreign operations                    | 5.9  | 2.6          | (1.2)         |
| Income tax (expenses)/benefits                                                     | 5.9  | (1.9)        | (0.6)         |
| <b>Total</b>                                                                       |      | <b>7.6</b>   | <b>1.6</b>    |
| <b>Other comprehensive income/(loss)</b>                                           |      | <b>5.6</b>   | <b>(4.5)</b>  |
| <b>Total comprehensive income/(loss)</b>                                           |      | <b>44.3</b>  | <b>(33.4)</b> |
| <b>Attributable to:</b>                                                            |      |              |               |
| Owners of the Company                                                              |      | 44.2         | (32.9)        |
| Non-controlling interest                                                           |      | 0.1          | (0.5)         |
| <b>Total comprehensive income/(loss)</b>                                           |      | <b>44.3</b>  | <b>(33.4)</b> |
| Total comprehensive income/(loss) attributable to equity shareholders arises from: |      |              |               |
| - Continuing operations                                                            |      | 42.1         | (33.3)        |
| - Discontinued operations                                                          |      | 2.2          | (0.1)         |
| <b>Total</b>                                                                       |      | <b>44.3</b>  | <b>(33.4)</b> |

The notes on page 71 to page 126 are an integral part of these consolidated financial statements.

# Consolidated balance sheet

As at December 31, 2014

|                                      |       | 2014           | 2013           |
|--------------------------------------|-------|----------------|----------------|
| EUR million                          | Note  |                |                |
| <b>Assets</b>                        |       |                |                |
| Property, plant and equipment        | 5.1   | 523.5          | 525.4          |
| Intangible assets                    | 5.2   | 428.4          | 422.8          |
| Other investments                    | 5.3   | 5.7            | 5.9            |
| Deferred income tax                  | 5.4   | 4.2            | 9.5            |
| <b>Total non-current assets</b>      |       | <b>961.8</b>   | <b>963.6</b>   |
| Inventories                          | 5.5   | 189.3          | 214.2          |
| Derivative financial instruments     | 3.1.3 | 9.3            | 0.2            |
| Current income tax receivable        |       | 0.2            | 0.9            |
| Trade and other receivables          | 5.6   | 382.1          | 350.2          |
| Cash and cash equivalents            | 5.7   | 96.6           | 86.1           |
| <b>Total current assets</b>          |       | <b>677.5</b>   | <b>651.6</b>   |
| Assets classified as held for sale   | 5.8   | 3.8            | 6.7            |
| <b>Total assets</b>                  |       | <b>1,643.1</b> | <b>1,621.9</b> |
| <b>Equity</b>                        |       |                |                |
| Issued share capital                 |       | 5.9            | 5.9            |
| Share premium                        |       | 440.7          | 440.7          |
| Other reserves                       |       | (8.9)          | (14.5)         |
| Retained earnings                    |       | (117.8)        | (89.4)         |
| Result for the year                  |       | 38.6           | (28.4)         |
|                                      |       | <b>358.5</b>   | <b>314.3</b>   |
| Non controlling interest             |       | 2.8            | 3.6            |
| <b>Total equity</b>                  | 5.9   | <b>361.3</b>   | <b>317.9</b>   |
| <b>Liabilities</b>                   |       |                |                |
| Loans and borrowings                 | 5.10  | 684.2          | 784.6          |
| Derivative financial instruments     | 3.1.3 | 11.1           | 10.6           |
| Employee benefits provisions         | 5.11  | 34.7           | 32.5           |
| Other provisions                     | 5.12  | 2.1            | 4.2            |
| Deferred income tax                  | 5.4   | 15.3           | 15.8           |
| <b>Total non-current liabilities</b> |       | <b>747.4</b>   | <b>847.7</b>   |
| Loans and borrowings                 | 5.10  | 5.5            | 7.5            |
| Derivative financial instruments     | 3.1.3 | 1.9            | 4.5            |
| Trade and other payables             | 5.13  | 498.0          | 427.5          |
| Current income tax liabilities       |       | 12.3           | 2.1            |
| Provisions                           | 5.12  | 16.7           | 12.6           |
| <b>Total current liabilities</b>     |       | <b>534.4</b>   | <b>454.2</b>   |
| Liabilities held for sale            | 5.8   | -              | 2.1            |
| <b>Total liabilities</b>             |       | <b>1,281.8</b> | <b>1,304.0</b> |
| <b>Total equity and liabilities</b>  |       | <b>1,643.1</b> | <b>1,621.9</b> |

The notes on page 71 to page 126 are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

For the year ended December 31, 2014

| EUR million                                                         | Issued share capital | Share premium | Other reserves | Retained earnings | Result for the year | Total         | Non controlling interest | Total equity  |
|---------------------------------------------------------------------|----------------------|---------------|----------------|-------------------|---------------------|---------------|--------------------------|---------------|
| <b>Balance as at January 1, 2014</b>                                | <b>5.9</b>           | <b>440.7</b>  | <b>(14.5)</b>  | <b>(89.4)</b>     | <b>(28.4)</b>       | <b>314.3</b>  | <b>3.6</b>               | <b>317.9</b>  |
| Other comprehensive income/(loss)                                   | -                    | -             | 5.6            | -                 | -                   | <b>5.6</b>    | -                        | <b>5.6</b>    |
| Profit/(loss)                                                       | -                    | -             | -              | -                 | 38.6                | <b>38.6</b>   | 0.1                      | <b>38.7</b>   |
| <b>Total comprehensive income</b>                                   | <b>-</b>             | <b>-</b>      | <b>5.6</b>     | <b>-</b>          | <b>38.6</b>         | <b>44.2</b>   | <b>0.1</b>               | <b>44.3</b>   |
| Appropriation of result                                             | -                    | -             | -              | (28.4)            | 28.4                | -             | -                        | -             |
| Non controlling interest arising on business combinations           | -                    | -             | -              | -                 | -                   | -             | (0.9)                    | <b>(0.9)</b>  |
| <b>Total transactions with owners recognized directly in equity</b> | <b>-</b>             | <b>-</b>      | <b>-</b>       | <b>-</b>          | <b>-</b>            | <b>-</b>      | <b>(0.9)</b>             | <b>(0.9)</b>  |
| <b>December 31, 2014</b>                                            | <b>5.9</b>           | <b>440.7</b>  | <b>(8.9)</b>   | <b>(117.8)</b>    | <b>(38.6)</b>       | <b>358.5</b>  | <b>2.8</b>               | <b>361.3</b>  |
| <b>Balance as at January 1, 2013</b>                                | <b>4.3</b>           | <b>259.8</b>  | <b>(10.0)</b>  | <b>(72.0)</b>     | <b>(17.4)</b>       | <b>164.7</b>  | <b>-</b>                 | <b>164.7</b>  |
| Other comprehensive income/(loss)                                   | -                    | -             | (4.5)          | -                 | -                   | <b>(4.5)</b>  | -                        | <b>(4.5)</b>  |
| Profit/(loss)                                                       | -                    | -             | -              | -                 | (28.4)              | <b>(28.4)</b> | (0.5)                    | <b>(28.9)</b> |
| <b>Total comprehensive income/(loss)</b>                            | <b>-</b>             | <b>-</b>      | <b>(4.5)</b>   | <b>-</b>          | <b>(28.4)</b>       | <b>(32.9)</b> | <b>(0.5)</b>             | <b>(33.4)</b> |
| Appropriation of result                                             | -                    | -             | -              | (17.4)            | 17.4                | -             | -                        | -             |
| Non controlling interest arising on business combinations           | -                    | -             | -              | -                 | -                   | -             | 4.1                      | <b>4.1</b>    |
| Share capital issued                                                | 1.6                  | 180.9         | -              | -                 | -                   | <b>182.5</b>  | -                        | <b>182.5</b>  |
| <b>Total transactions with owners recognized directly in equity</b> | <b>1.6</b>           | <b>180.9</b>  | <b>-</b>       | <b>-</b>          | <b>-</b>            | <b>182.5</b>  | <b>4.1</b>               | <b>186.6</b>  |
| <b>December 31, 2013</b>                                            | <b>5.9</b>           | <b>440.7</b>  | <b>(14.5)</b>  | <b>(89.4)</b>     | <b>(28.4)</b>       | <b>314.3</b>  | <b>3.6</b>               | <b>317.9</b>  |

For notes on equity a reference is made to 5.9.

The notes on page 71 to page 126 are an integral part of these consolidated financial statements.



# Consolidated statement of cash flows

For the year ended December 31, 2014

|                                                                                                           |            | 2014           | 2013           |
|-----------------------------------------------------------------------------------------------------------|------------|----------------|----------------|
| EUR million                                                                                               | Note       |                |                |
| <b>Cash flows from operating activities</b>                                                               |            |                |                |
| <b>Profit/(loss) after tax including discontinued operations</b>                                          |            | <b>38.7</b>    | <b>(28.9)</b>  |
| <b>Adjustments for:</b>                                                                                   |            |                |                |
| Amortisation, depreciation and impairments                                                                | 5.1/5.2    | 87.8           | 86.3           |
| Net change in fair value derivative financial instruments recognized in profit and loss and premiums paid | 4.3        | (4.1)          | 2.7            |
| Net finance costs                                                                                         | 4.7        | 49.4           | 45.6           |
| (Gain) / loss on sale of property, plant and equipment                                                    | 4.2        | (0.7)          | (0.3)          |
| Income tax expense / (benefit)                                                                            | 4.8        | 20.9           | 7.6            |
| Movements in provisions pensions and other provisions                                                     | 5.11/5.12  | (5.1)          | 6.9            |
| <b>Cash flows from operating activities before changes in working capital</b>                             |            | <b>186.9</b>   | <b>119.9</b>   |
| <b>Change in:</b>                                                                                         |            |                |                |
| Inventories                                                                                               | 5.5        | 14.9           | 4.2            |
| Trade and other receivables                                                                               | 5.6        | (28.3)         | 16.4           |
| Trade and other payables                                                                                  | 5.13       | 41.5           | (7.5)          |
| <b>Total change in working capital</b>                                                                    |            | <b>28.1</b>    | <b>13.1</b>    |
| Interest received                                                                                         |            | 0.2            | 0.3            |
| Interest paid                                                                                             |            | (48.1)         | (46.8)         |
| Income taxes paid                                                                                         |            | (11.0)         | (16.4)         |
| <b>Net cash generated from operating activities</b>                                                       |            | <b>156.1</b>   | <b>70.1</b>    |
| <b>Cash flows from investing and acquisition activities</b>                                               |            |                |                |
| Proceeds from sale of property, plant and equipment                                                       | 5.1        | 0.8            | 0.7            |
| Purchase of property, plant and equipment                                                                 | 5.1        | (59.1)         | (47.3)         |
| Purchase of intangible assets                                                                             | 5.2        | (0.9)          | (0.4)          |
| Purchase / sale of other investments                                                                      | 5.8        | 20.6           | 0.6            |
| Acquisition of subsidiary, net of cash acquired                                                           | 5.1        | -              | (126.0)        |
| Loans granted outside the group                                                                           | 5.3        | -              | (2.2)          |
| <b>Net cash used in investing and acquisition activities</b>                                              |            | <b>(38.6)</b>  | <b>(174.6)</b> |
| <b>Cash flows from financing activities</b>                                                               |            |                |                |
| Proceeds from loans and borrowings                                                                        | 5.10       | -              | 98.9           |
| Repayment of loans and borrowings                                                                         | 5.10       | (106.3)        | (3.4)          |
| <b>Net cash (used in) / from financing activities</b>                                                     |            | <b>(106.3)</b> | <b>95.5</b>    |
| Translation adjustment                                                                                    |            | (0.2)          | (0.8)          |
| <b>Movement in cash and cash equivalents</b>                                                              |            | <b>11.0</b>    | <b>(9.8)</b>   |
| Cash and cash equivalents as at January 1                                                                 | 5.7        | 85.6           | 95.4           |
| <b>Cash and cash equivalents as at December 31</b>                                                        | <b>5.7</b> | <b>96.6</b>    | <b>85.6</b>    |

The cash flow statement is prepared according to the indirect method. The cash flow from discontinued operations is not material to show separately in the cash flow statement. The notes on page 71 to page 126 are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

## 1 GENERAL

### 1.1 Reporting entity

The consolidated financial statements of Refresco Gerber B.V. ('Refresco Gerber' or the 'Company') as at and for the year ended December 31, 2014 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The companies in note 3.2 of the company only financial statements have all been included in the consolidated financial statements.

Refresco Gerber B.V. (a private company with limited liability) is domiciled in the Netherlands, with its registered office at Fascinatio Boulevard 270, 3065 WB Rotterdam.

The activities of the Group consist of the manufacturing of fruit juices and soft drinks for retailers and A brands. Sales and production are made both domestically and abroad, the European Union being the most important market. Refresco issued senior secured notes on May 16, 2011. The notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market.

### 1.2 Basis of preparation

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared on the historical cost convention except for derivative financial instruments which are measured at fair value.

The consolidated financial statements were approved by the Supervisory Board on February 19, 2015 and were adopted by the Annual General Meeting of Shareholders on March 2, 2015.

The Company financial statements are part of the 2014 financial statements of Refresco Gerber B.V. With reference to the Company income statement, use has been made of the exemption pursuant to Section 402 of Book 2 of the Dutch Civil Code.

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is the Group's presentation currency. All financial information presented in Euros has been rounded to the nearest million with one decimal, unless stated otherwise.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

### 2.1 Basis of consolidation

#### Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at December 31, 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in the income statement. Any investment retained is recognized at fair value.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

#### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## **2.2 Foreign currency**

### **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which equals the presentation currency, which is the Euro, except for UK (GBP) and Poland (PLN).

### **Transactions and balances in foreign currency**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the income statement with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the income statement are also recognized in OCI or the income statement, respectively).

### **Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euros at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into Euros at the exchange rates at the dates of the transactions (or at an average rate if this is not an unreasonable approximation).

Foreign currency differences arising thereon are recognized, in other comprehensive income, in the foreign currency translation reserve. When a foreign operation is disposed of, either in part or in full, the associated cumulative amount in the foreign currency translation reserve is transferred to the income statement as an adjustment to the profit or loss on disposal.

Foreign exchange gains and losses arising on a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income in the foreign currency translation reserve.

## **2.3 Financial instruments**

### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances, checks in transit and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the cash management processes are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

The accounting for finance income and expense is described in note 2.19.

### **Derivative financial instruments and hedging activities**

The Group holds derivative financial instruments (interest rate swaps, commodity hedges, forward exchange contracts and currency options) to hedge its foreign currency, commodity and interest rate risk exposures. The Group seeks to apply hedge accounting in order to minimize the effects of fluctuations of foreign currencies and interest rates in the income statement.

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The method of recognizing the resulting

gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group applies cash flow hedge accounting. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement immediately.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued and the cumulative unrealized gain or loss previously recognized in other comprehensive income and presented in the hedging reserve in equity, is recognized in the income statement immediately, or when a hedging instrument is terminated, but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognized in accordance with the above-mentioned policy when the transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to the same line of the income statement in the same period that the hedged item affects the income statement.

Where the financial instruments are held to hedge foreign currency purchases of raw materials and consumables, the changes are included in raw materials and consumables used. Where the instruments are held to hedge interest rate risk exposure, the changes are included in finance income and expense.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 3.3. Movements of the hedging reserve in other comprehensive income are shown in note 5.9. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the balance sheet date.

#### **2.4 Share capital**

##### **Ordinary share capital**

Ordinary A, A1A, A1B, A2, B and B1 share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

##### **Preference share capital**

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary for the Company. Dividends thereon are recognized as distributions within equity upon approval by the General Meeting of Shareholders.

#### **2.5 Non-controlling interest**

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

Subsequently profits are allocated to non-controlling interest based on their net effective interest in the subsidiary.

#### **2.6 Property, plant and equipment**

##### **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a condition suitable for their intended use, and the costs of dismantling and removing the items and restoring of the site on which they are located. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are allocated to the assets when incurred.

When elements of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds of disposal with the carrying amount and are recognized on a net basis in other income in the income statement.

### 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 carrying amount of the replaced part is derecognized. The costs of the day-to-day maintenance of property, plant and equipment are recognized in the income statement as incurred.

### Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of each element of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

- Buildings : 25 years
- Machinery and equipment : 5-10 years
- Other fixed assets : 3-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## 2.7 Intangible assets

### Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### Other intangibles

Software acquired by the Group is measured at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only to the extent that it increases the future economic benefits embodied in the specific asset to which it

relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income statement as incurred. Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives, generally 3 years.

Brands acquired, separately or as part of a business combination, are capitalized if they meet the definition of an intangible asset and the recognition criteria are satisfied. Brands acquired as part of a business combination are valued at fair value based on the relief from royalty method. Brands are amortized on an individual basis over the estimated useful life of the brand.

Customer and sales channel-related and contract-based intangibles are capitalized if they meet the definition of an intangible asset and the recognition criteria are satisfied. The relationship between brands and customer and sales channel-related intangibles is carefully considered so that brands and customer and sales channel-related intangibles are not both recognized on the basis of the same cash flows. Customer and sales channel-related and contract-based intangibles acquired as part of a business combination are valued at fair value and amortized over the period of the contractual arrangements or the remaining useful life of the customer relationships.

## 2.8 Leased assets

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

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The main estimates and assumptions relate to residual values, applicable interest rates, and economic lifetime of the assets and determination of the minimum lease payments. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Other leases are operating leases and are not recognized on the balance sheet and disclosed in note 6.2.

## 2.9 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out method, and includes expenditure incurred in acquiring the inventories, production and conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of finished goods and work in progress includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 2.10 Impairment

### Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset that can be reliably estimated.

Impairment losses in respect of financial assets measured at amortized cost are calculated as the difference between the carrying amounts and present values of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is measured by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Impairment losses are recognized in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and for debt instruments measured in the available for sale category the reversal is recognized in the income statement.

### Non-financial assets

The carrying amounts of non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating units").

For the purpose of impairment testing, the goodwill acquired in a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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 amortization, if no impairment loss had been recognized.

## 2.11 Assets classified as held for sale and discontinued operations

The Group classifies non-current assets (or disposal groups) as held for sale when the carrying amounts will be recovered principally through a sale transaction and a sale is highly probable. Immediately before classification as held for sale, the assets are re-measured in accordance with the accounting policies of the Group. Thereafter the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the income statement. Gains are not recognized in excess of any cumulative impairment loss. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as income or loss after tax from discontinued operations in the income statement.



## 2.12 Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

### Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

For pension plans whereby a limit on the employer's future contribution to the pension plans exist, the Group will reflect this limit in its calculations. For these plans the Group will apply a liability cap in case the present value of the future service cost exceeds the present value of the future maximum employer contributions and the defined benefit obligation exceeds the asset value. The liability cap does not exceed the difference between the defined benefit obligation and the asset value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income.

### Multi-employer plans

The Group also facilitates multi-employer plans, in which various employers contribute to one central pension union. In accordance with IAS 19R, as the pension union managing the plan is not able to provide the Group with sufficient information to enable the Group to account for the plan as a defined benefit plan, the Group accounts for its multi-employer defined benefit plan as if it were a defined contribution plan.

### Other long-term employee benefits

The net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the obligations of the Group. The calculation is performed using the projected unit credit method. Actuarial gains or losses are recognized in the income statement in the period in which they arise.

### Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept an offer of benefits in exchange for the termination of employment. A liability is recognized at the earlier of the following dates: when the entity can no longer withdraw the offer of those benefits; and when the entity recognizes costs for a restructuring and involves the payment of termination benefits.

### Short-term benefits

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

## 2.13 Provisions

A provision is recognized if, as a result of a past event, the Group has a legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## **Restructuring**

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been publicly announced. Future operating costs are not provided for.

### **2.14 Borrowings**

#### **Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

#### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

### **2.15 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **2.16 Revenue**

#### **Products sold**

Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns, 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, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

## **Contract manufacturing**

Contract manufacturing consists of the provision of manufacturing services and sale of the resultant product. The nature and the risk profile of the contract with the customer are key in determining whether the Group is providing a manufacturing service or is selling a product. The revenue is recognized solely for the activities, ingredients and materials for which the Group is the principal and has the risk and rewards.

### **2.17 Government grants**

Government grants are recognized at their fair value when it is reasonably assured that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants relating to property, plant and equipment are deducted from the carrying amount of the asset. Government grants relating to period costs are deferred and recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

### **2.18 Lease payments**

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized, 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 of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are expensed as occurred.

### **2.19 Finance income and expense**

Finance income comprises interest income on bank deposits and fair value gains on interest hedging instruments that are recognized in the income statement. Interest income is recognized in the income statement as it accrues, using the effective interest method. Finance expense comprises interest expense on borrowings including derivative financial instruments, the unwinding of discount on provisions and fair value losses on interest hedging instruments that are recognized in the income statement.

### **2.20 Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized in equity or other comprehensive income in which case the income tax expense is also recognized in equity or other comprehensive income.

Current tax is the income tax expected to be payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences in the reporting period they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset:

- if there is a legally enforceable right to offset current tax liabilities and assets, and
- if they relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities which intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities of which will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. 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 realized.

## 2.21 New standards and interpretations

The following new standards and amendments became effective as of 1 January 2014:

- IFRS 10 Consolidated Financial Statements, effective 1 January 2014
- IFRS 11 Joint Arrangements, effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014
- Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition Guidance, effective 1 January 2014
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities, effective 1 January 2014
- IAS 27 Separate Financial Statements (revised 2011), effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures (revised 2011), effective 1 January 2014
- Amendments to IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014

- Amendments to IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets, effective 1 January 2014
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014

These standards and amendments do not have a material impact the Group's consolidated financial statements.

The following standards are issued but not yet effective as of 31 December 2014:

- IFRS 9 Financial Instruments, effective 1 January 2018
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception, effective 1 January 2016
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective 1 January 2016
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January 2016
- IFRS 14 Regulatory Deferral Accounts, effective 1 January 2016
- IFRS 15 Revenue from Contracts with Customers, effective 1 January 2017
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements, effective 1 January 2016
- IFRIC 21 Levies, effective 17 June 2014
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)<sup>1</sup>, effective 1 January 2016

The Group is reviewing the impact of these standards and amendments on the Group's consolidated financial statements.

## 2.21 Segment reporting

The Company is centrally organized to maximise operational efficiencies, synergies, and funding through its headquarters in Rotterdam. The central activities include decisions related to allocating resources, (central) sales, operations and footprint, financing of the Group, procurement, major investments and acquisitions, human resources, treasury, reporting and ICT. In

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order to use its European footprint for reduction of production and transportation costs, and to be close to local clients, the Company has seven regionally-focused business units, which focus on (local) sales and production.

The Executive Board, being the Chief Operating Decision Maker, does not review the operating results of specific components of the Group to make decisions about resources to be allocated to such component and assess its performance, due to the high level of centralization and integration. Therefore, Refresco management concluded there is only one operating segment, as defined in IFRS 8.

The entity-wide disclosures as required by IFRS 8 have been included in note 4.1, 5.1 and 5.2.

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Executive Board has the responsibility for the establishment and oversight of the risk management framework of the Group.

Risk management policies of the Group are established to identify and analyze 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 in the activities of the Group.

Through its training program and its management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Supervisory Board oversees management's monitoring of compliance with the risk management policies and procedures of the Group and it reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

##### 3.1.1 Credit risk

Credit risk represents the risk that counter parties fail to meet their contractual obligations, and arises principally in the receivables from customers, cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group does not have any significant concentration of credit risk. In order to reduce the exposure to credit risk, the Group carries out ongoing credit evaluations of the financial position of customers but generally does not require collateral. Use is made of a combination of independent ratings and risk controls to assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Sales are subject to payment conditions which are common practice in each country. The banks and financial institutions used as counterparty for holding cash and cash equivalents and deposits and in derivative transactions can be classified as high credit quality financial institutions (minimal A rating Standard & Poor's).

The Group has policies that limit the amount of credit exposure to individual financial institutions. Management believes that the likelihood of losses arising from credit risk is remote particularly in the light of the diversification of activities.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure at the reporting date:

| EUR million                      | Note | Carrying amount |              |
|----------------------------------|------|-----------------|--------------|
|                                  |      | 2014            | 2013         |
| Non-current investments          | 5.3  | 5.7             | 5.9          |
| Trade and other receivables      | 5.6  | 382.1           | 350.2        |
| Derivative financial instruments | 5.3  | 9.3             | 0.2          |
| Cash and cash equivalents        | 5.7  | 96.6            | 86.1         |
|                                  |      | <b>493.7</b>    | <b>442.4</b> |

The maximum exposure to credit risk for trade and other receivables at the reporting date by currency is as follows:

|                           | Carrying amount |       |
|---------------------------|-----------------|-------|
|                           | 2014            | 2013  |
| EUR million               |                 |       |
| Euro-zone countries (EUR) | 284.4           | 270.3 |
| UK (GBP)                  | 82.3            | 65.9  |
| Poland (PLN)              | 15.4            | 14.0  |
|                           | 382.1           | 350.2 |

Ageing trade and other receivables and impairment losses

| EUR million                | 2014  |              | 2013         |            |
|----------------------------|-------|--------------|--------------|------------|
|                            | Gross | Impairment   | Gross        | Impairment |
| Not past due               | 341.5 | -            | 315.1        | -          |
| Past due 0 - 30 days       | 35.2  | -            | 25.1         | -          |
| Past due 31 - 60 days      | 3.8   | -            | 2.5          | -          |
| Past due more than 60 days | 6.6   | 5.0          | 12.9         | 5.4        |
|                            |       | <b>387.1</b> | <b>355.6</b> | <b>5.4</b> |



The movements in the impairment loss in respect of trade and other receivables during the year were as follows:

|                            | 2014       | 2013       |
|----------------------------|------------|------------|
| EUR million                |            |            |
| January 1                  | 5.4        | 3.9        |
| Impairment loss recognized | 0.9        | 0.6        |
| Acquisitions               | -          | 1.4        |
| Write off                  | (1.3)      | (0.5)      |
| <b>December 31</b>         | <b>5.0</b> | <b>5.4</b> |

The Group determines impairment losses on the basis of specific estimates of losses incurred in respect of trade and other receivables. Based on historic default rates, the Group believes that no impairment loss has occurred in respect of trade receivables not past due or past due by up to 60 days.

### 3.1.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The approach of the Group to managing liquidity risk is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and more extreme conditions, without incurring unacceptable losses or risking damage to the reputation of the Group. The Group has a clear focus on financing long-term growth as well as current operations. Strong cost and cash management and controls over working capital and capital expenditure proposals are in place to ensure effective and efficient allocation of financial resources.

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, if applicable, are as shown in the following table. Insofar as these cash flows depend on future floating interest rates, the level of which was unknown on the balance sheet date, these cash flows have been estimated on the basis of rates prevailing on the balance sheet date.

### December 31, 2014

| EUR million                                              | Carrying amount | Contractual cash flows | 6 months or less | 6 - 12 months | 1 - 2 years | 2 - 3 years | 3 - 4 years  | 4 - 5 years | > 5 years   |
|----------------------------------------------------------|-----------------|------------------------|------------------|---------------|-------------|-------------|--------------|-------------|-------------|
| <b>Non-derivative financial liabilities</b>              |                 |                        |                  |               |             |             |              |             |             |
| Notes issued                                             | 654.2           | 790.7                  | 19.4             | 19.4          | 38.7        | 38.7        | 674.5        | -           | -           |
| Mortgage                                                 | 33.4            | 41.3                   | 2.0              | 2.0           | 4.0         | 4.0         | 4.0          | 3.9         | 21.4        |
| Revolving credit facility                                | (1.1)           | -                      | -                | -             | -           | -           | -            | -           | -           |
| Finance lease and other loans                            | 3.2             | 3.2                    | 1.2              | 1.2           | 0.8         | -           | -            | -           | -           |
| Trade and other payables                                 | 498.0           | 498.0                  | 498.0            | -             | -           | -           | -            | -           | -           |
| Current income tax liabilities and short term provisions | 29.0            | 29.0                   | 29.0             | -             | -           | -           | -            | -           | -           |
|                                                          | <b>1,216.7</b>  | <b>1,362.2</b>         | <b>549.6</b>     | <b>22.6</b>   | <b>43.5</b> | <b>42.7</b> | <b>678.5</b> | <b>3.9</b>  | <b>21.4</b> |
| <b>Derivative financial liabilities</b>                  |                 |                        |                  |               |             |             |              |             |             |
| Interest rate swaps                                      | 11.1            | 15.1                   | 2.3              | 2.2           | 3.9         | 1.7         | 1.7          | 1.7         | 1.6         |

The Group has an undrawn revolving credit facility maturing in 2017 of EUR 150.0 million and a credit facility of GBP 2.5 million in the UK.

## December 31, 2013

| EUR million                                              | Carrying amount | Contractual cash flows | 6 months or less | 6 - 12 months | 1 - 2 years | 2 - 5 years  | > 5 years   |
|----------------------------------------------------------|-----------------|------------------------|------------------|---------------|-------------|--------------|-------------|
| <b>Non-derivative financial liabilities</b>              |                 |                        |                  |               |             |              |             |
| Notes issued                                             | 652.5           | 872.0                  | 19.7             | 19.7          | 39.4        | 793.2        | -           |
| Mortgage                                                 | 33.9            | 41.8                   | 1.5              | 1.5           | 2.9         | 11.3         | 24.6        |
| Revolving credit facility                                | 98.5            | 117.7                  | 1.6              | 1.6           | 3.3         | 111.2        | -           |
| Finance lease and other loans                            | 6.7             | 7.1                    | 1.9              | 2.1           | 2.4         | 0.7          | -           |
| Trade and other payables                                 | 427.5           | 427.5                  | 421.2            | 6.3           | -           | -            | -           |
| Current income tax liabilities and short term provisions | 14.7            | 14.7                   | 14.7             | -             | -           | -            | -           |
|                                                          | <b>1,233.8</b>  | <b>1,480.8</b>         | <b>460.6</b>     | <b>31.2</b>   | <b>48.0</b> | <b>916.4</b> | <b>24.6</b> |
| <b>Derivative financial liabilities</b>                  |                 |                        |                  |               |             |              |             |
| Interest rate swaps                                      | 10.6            | 16.3                   | 2.5              | 2.4           | 2.7         | 6.7          | 2.0         |

The Group has an undrawn revolving credit facility maturing in 2017 of EUR 50.0 million.

### 3.1.3 Market risk

#### Foreign currency risk

The Group is exposed to currency risk mainly on purchases denominated in USD. At any point in time the Group hedges 80 to 100% of its foreign currency exposure on contracted forecasted purchases. The Group uses currency option contracts and forward exchange contracts to hedge its currency risks, most of which have a maturity date of less than one year from the reporting date. When necessary, foreign currency contracts are rolled over on maturity.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, as necessary, to address short-term imbalances. The business combination with Gerber EMIG increased our business in Poland and the UK, resulting in additional exposure to foreign currency movements. As of the merger date the Group policy for foreign currency hedging is also applied for all former Gerber Emig business.

In order to minimize the impact of accounting mismatches in the income statement, the Group applies cash flow hedge accounting. The effectiveness of the hedge relationship is measured based on changes in intrinsic value of options and fair value of forward contracts. The changes in time value of the currency options are directly recorded in the income statement, as part of raw material costs. Per year end the cash flow hedge accounting relationships were fully effective. There are no forecasted transactions for which hedge accounting has been applied, but which are no longer expected to occur. The fair value of foreign currency instruments per reporting date is EUR 7.8 million (EUR 9.3 million debit; EUR 1.5 million credit; 2013: EUR 3.9 million credit). The effective part of the intrinsic value changes of the foreign currency option contracts and the fair value of the forward contracts amounted to a EUR 4.4 million profit net of deferred taxes in other comprehensive income (2013: EUR 0.8 million loss). In 2014 an amount of EUR 0.9 million was reclassified from other comprehensive income to raw material costs (2013: EUR 1.1 million). During 2014 no amounts are recorded in raw material costs due to ineffectiveness (2013: EUR 0.1 million).

The amounts deferred in equity at year-end are expected to occur and to affect the income statement for majority in 2015. All of the resulting fair value estimates are included in Level 2.

The notional amounts of exposure to significant foreign currency risks were as follows:

| million                                                | 2014           |                |                |                  |                | 2013           |
|--------------------------------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|
|                                                        | USD<br>EUR/USD | USD<br>GBP/USD | USD<br>PLN/USD | USD<br>Total USD | EUR<br>GBP/USD | USD<br>EUR/USD |
| Trade payables                                         | 29.1           | 13.0           | 4.8            | 46.9             | 11.5           | 29.8           |
| Estimated forecast purchases                           | 148.1          | 65.7           | 14.5           | 228.3            | 58.7           | 109.3          |
| <b>Gross exposure</b>                                  | <b>177.2</b>   | <b>78.7</b>    | <b>19.3</b>    | <b>275.2</b>     | <b>70.2</b>    | <b>139.1</b>   |
| Forward exchange contracts / Currency option contracts | (114.3)        | (60.9)         | (13.1)         | (188.3)          | (54.8)         | (117.0)        |
| <b>Net exposure</b>                                    | <b>62.9</b>    | <b>17.8</b>    | <b>6.2</b>     | <b>86.9</b>      | <b>15.4</b>    | <b>22.1</b>    |

The business combination with Gerber EMIG increased our business in Poland and the UK, resulting in additional exposure to foreign currency movements.

The change in fair value of the financial instruments used to hedge currency risk is included in raw materials and consumables in the income statement, except for the instruments for which hedge accounting is applied.

The following significant exchange rates were applied during the year:

|                | Average |      | Year-end |      |
|----------------|---------|------|----------|------|
|                | 2014    | 2013 | 2014     | 2013 |
| Value of EUR 1 |         |      |          |      |
| USD            | 1.33    | 1.33 | 1.22     | 1.38 |
| GBP            | 0.81    | 0.85 | 0.78     | 0.83 |
| PLN            | 4.18    | 4.19 | 4.31     | 4.15 |

#### Sensitivity analysis

A 10% strengthening or weakening of the Euro against the USD, the GBP against the USD, the Zloty against the USD and the GBP against the EUR at reporting date would have changed equity and the income statement by the amounts shown on the next page. The impact of the 10% strengthening or weakening of the Zloty against the EUR is not material for the consolidated financial statements.

## December 31, 2014

|                                    | EUR/USD                   |              | GBP/USD                   |              | PLN/USD                   |              | GBP/EUR                   |              |
|------------------------------------|---------------------------|--------------|---------------------------|--------------|---------------------------|--------------|---------------------------|--------------|
|                                    | 10% strength              | 10% weak     | 10% strength              | 10% weak     | 10% strength              | 10% weak     | 10% strength              | 10% weak     |
| EUR million                        | <b>Profit/(loss)</b>      |              | <b>Profit/(loss)</b>      |              | <b>Profit/(loss)</b>      |              | <b>Profit/(loss)</b>      |              |
| Trade payables                     | 2.2                       | (2.7)        | 1.0                       | (1.2)        | 0.4                       | (0.4)        | -                         | -            |
| Foreign currency hedge instruments | (1.7)                     | 2.1          | (1.1)                     | 1.3          | -                         | -            | (1.5)                     | 1.5          |
| <b>Net effect Profit/(Loss)</b>    | <b>0.5</b>                | <b>(0.6)</b> | <b>(0.1)</b>              | <b>0.1</b>   | <b>0.4</b>                | <b>(0.4)</b> | <b>(1.5)</b>              | <b>1.5</b>   |
|                                    | <b>OCI Debit/(Credit)</b> |              | <b>OCI Debit/(Credit)</b> |              | <b>OCI Debit/(Credit)</b> |              | <b>OCI Debit/(Credit)</b> |              |
| Foreign currency hedge instruments | 4.3                       | (6.1)        | 2.6                       | (3.2)        | (3.1)                     | 0.8          | 3.1                       | (3.1)        |
| <b>Net effect OCI</b>              | <b>4.3</b>                | <b>(6.1)</b> | <b>2.6</b>                | <b>(3.2)</b> | <b>(3.1)</b>              | <b>(0.8)</b> | <b>3.1</b>                | <b>(3.1)</b> |

## December 31, 2013

|                                    | EUR/USD                   |              |
|------------------------------------|---------------------------|--------------|
|                                    | 10% strength              | 10% weak     |
| EUR million                        | <b>Profit/(Loss)</b>      |              |
| Trade payables                     | 1.4                       | (1.4)        |
| Foreign currency hedge instruments | (1.0)                     | 1.4          |
| <b>Net effect Profit/(Loss)</b>    | <b>0.4</b>                | <b>-</b>     |
|                                    | <b>OCI Debit/(Credit)</b> |              |
| Foreign currency hedge instruments | 4.2                       | (5.7)        |
| <b>Net effect OCI</b>              | <b>4.2</b>                | <b>(5.7)</b> |

### Interest rate risk

The Group is exposed to the effects of variable interest rates on interest-bearing long-term liabilities, which is partly offset by cash held at variable rates. On fixed interest receivables and liabilities, it is exposed to market value fluctuations. For certain variable interest rate long term liabilities, the Group has entered into interest rate swap agreements through which the Group effectively pays fixed interest rates on these liabilities. At any point in time the Group hedges 90 to 100 % of the net interest rate risk.

The Group applies Cash flow hedge accounting to offset the profit or loss impact resulting of timing differences between variable interest rate liabilities and the interest rate swap. Throughout the year 2013 and 2014 as well as per year end the cash flow hedge accounting relationships were effective.

The fair value of interest rate swaps per reporting date is -/- EUR 11.1 million (2013: -/- EUR 10.6 million). The effective part of the fair value changes of the interest rate swaps amounts to EUR 3.0 million (2013: EUR 3.0 million profit) loss net of deferred taxes in other comprehensive income. In 2014 an amount of EUR 1.1 million (2013: EUR 2.6 million) was reclassified from other Comprehensive Income to financing costs.

During 2014 EUR 0.6 million (2013: 0.0 million) was recorded in financing costs due to ineffectiveness. The amounts deferred in equity at year-end are expected to affect financing costs within the coming three years. All of the resulting fair value estimates are included in Level 2.

**Profile**

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

|                                                                      |      | Carrying amount |         |
|----------------------------------------------------------------------|------|-----------------|---------|
|                                                                      |      | 2014            | 2013    |
| EUR million                                                          | Note |                 |         |
| Fixed rate instruments                                               |      |                 |         |
| Loans and borrowings                                                 | 5.10 | 360.0           | 362.6   |
|                                                                      |      | 360.0           | 362.6   |
| Variable rate instruments                                            |      |                 |         |
| Cash                                                                 | 5.7  | (96.6)          | (86.1)  |
| Non-current investments                                              | 5.3  | (5.7)           | (5.9)   |
| Loans and borrowings                                                 | 5.10 | 329.7           | 429.0   |
|                                                                      |      | 227.4           | 337.0   |
| Notional amount interest rate swaps per year end (floating to fixed) |      | (194.0)         | (271.7) |
| Net position                                                         |      | 33.4            | 65.3    |

As at balance sheet date, interest rates were fixed on approximately 94.3% (2013: 90.7 %) of the net of cash and financial liability positions. Per end of 2014 the position is in line with the Group policy to hedges 90 to 100 % of the net interest rate risk.

**Sensitivity analysis for fixed rate instruments**

The Group does not account for any fixed rate financial assets and liabilities at fair value through the income statement, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not have affected the income statement.

**Sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have changed equity and the income statement by the amounts shown in table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The Group assumes that lowest Euribor/Libor rate reasonably possible is zero. The analysis is performed on the same basis as for 2013.

**December 31, 2014**

| EUR million                                           | Profit / (loss)           |                                 | Other comprehensive income |                                 |
|-------------------------------------------------------|---------------------------|---------------------------------|----------------------------|---------------------------------|
|                                                       | 100 basis points increase | 3m Euribor zero during the year | 100 basis points increase  | 3m Euribor zero during the year |
| Interest (paid)/received on variable rate instruments | (2.4)                     | 0.7                             | -                          | -                               |
| Change fair value interest rate swaps                 | 2.4                       | (0.5)                           | 2.5                        | (0.2)                           |
| <b>Total</b>                                          | <b>0.0</b>                | <b>0.2</b>                      | <b>2.5</b>                 | <b>(0.2)</b>                    |

**December 31, 2013**

| EUR million                                           | Profit / (loss)           |                                 | Other comprehensive income |                                 |
|-------------------------------------------------------|---------------------------|---------------------------------|----------------------------|---------------------------------|
|                                                       | 100 basis points increase | 3m Euribor zero during the year | 100 basis points increase  | 3m Euribor zero during the year |
| Interest (paid)/received on variable rate instruments | (2.6)                     | 0.7                             | -                          | -                               |
| Additional paid/received on swaps                     | 3.0                       | (0.6)                           | 2.7                        | (5.0)                           |
| <b>Total</b>                                          | <b>0.4</b>                | <b>0.1</b>                      | <b>2.7</b>                 | <b>(5.0)</b>                    |

**Price risk**

The Group is exposed to commodity price risks. To manage these risks procurement operates within the framework of centrally specified policies and guidelines and must act in conformance with the required internal control measures.

The Group contract positions are based on a thorough understanding of the raw material markets and in principle contracted sales are covered back to back. During 2014 the Group continued to centralize the procurement of all raw and packaging materials. Authority levels of local management have been shifted towards the Group central procurement organization which is executing and monitoring the main contracts and important purchase decisions. Commodities are only purchased locally after approval of the central purchasing department. Contracts exceeding predefined limits must be authorized by the Executive Board. Existing contract positions are closely monitored and, when necessary, corrective actions are evaluated and implemented.

To enable it to stay abreast of the current situation in the raw materials markets and maintain its gross margins, the Group implements pass-on clauses into sales contracts with customers. In parallel, the quality of management information has been enhanced by the development of a network enabling knowledge of markets, suppliers and conditions of raw materials to be shared at Group level. The Group hedges the raw material aluminum through derivatives.

The change in fair value of this raw material derivative is recognized in the income statement. The fair value per year end is -/- EUR 0.4 million (2013: -/- 0.5 million).

**Pension risk**

The Group contributes to a number of defined benefit plans that provide pension benefits to employees upon retirement in the Netherlands, Germany, Italy and the UK. The amount of the benefits depends on age, salary and years of service. Furthermore, the Group has an indemnity plan in France and obligations for jubilee in the Netherlands, Germany and France. The financial figures are affected by the market interest rates and fair value of listed bonds and equity shares included in plan assets. We refer to note 5.11.

**3.2 Capital management**

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The policy of the Group is to maintain a sufficient capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.



|                                       |             | 2014           | 2013           |
|---------------------------------------|-------------|----------------|----------------|
| EUR million                           | <b>Note</b> |                |                |
| Interest-bearing loans and borrowings | 5.10        | 689.7          | 791.6          |
| Trade and other payables              | 5.13        | 498.0          | 427.5          |
| Less: cash and short-term deposits    | 5.7         | (96.6)         | (85.6)         |
| <b>Net debt</b>                       |             | <b>1,091.1</b> | <b>1,133.5</b> |
| Equity                                | 5.9         | 361.3          | 317.9          |
| <b>Total capital</b>                  |             | <b>361.3</b>   | <b>317.9</b>   |
| <b>Capital and net debt</b>           |             | <b>1,452.4</b> | <b>1,451.4</b> |

### 3.3 Determination of fair values

A number of the accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods set out below. Where applicable further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property would likely be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of machinery and equipment and other fixed assets is based on the quoted market prices for similar items.

#### Other intangible assets

The fair value of brands and sales channels acquired in a business combination is determined based on the relief of royalty method. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of these assets.

#### Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale and less a reasonable profit margin based on the effort required to complete and sell the inventories.

#### Trade and other receivables

The fair value of trade and other receivables equal the carrying amount due to the short term nature.

#### Derivative financial instruments

The Group defines the following different levels of fair value:

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

#### Non-derivative financial liabilities

Fair value for disclosure purposes is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by calculating of the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

### Fair values

The fair value of the senior secured notes issued (level 1) per reporting date is EUR 683.1 million (2013: EUR 690.0 million), with a face value of EUR 660.0 million. The fair values of other financial assets and liabilities approximate the carrying amounts, as the impact of discounting is not significant.

The following table presents the Group's financial assets and liabilities that are measured at fair value December 31, 2014. See note 5.8 for disclosures of assets held for sale that are measured at fair value.

|                         | Level 1  | Level 2      | Level 3  | Total        |
|-------------------------|----------|--------------|----------|--------------|
| EUR million             |          |              |          |              |
| Fx instruments (debit)  | -        | 9.3          | -        | 9.3          |
| Fx instruments (credit) | -        | (1.5)        | -        | (1.5)        |
| Commodity swaps         | -        | (0.4)        | -        | (0.4)        |
| Interest rate swaps     | -        | (11.1)       | -        | (11.1)       |
| <b>Total</b>            | <b>-</b> | <b>(3,7)</b> | <b>-</b> | <b>(3,7)</b> |

December 31, 2013.

|                         | Level 1  | Level 2       | Level 3  | Total         |
|-------------------------|----------|---------------|----------|---------------|
| EUR million             |          |               |          |               |
| Fx instruments (debit)  | -        | 0.2           | -        | 0.2           |
| Fx instruments (credit) | -        | (4.0)         | -        | (4.0)         |
| Commodity swaps         | -        | (0.5)         | -        | (0.5)         |
| Interest rate swaps     | -        | (10.6)        | -        | (10.6)        |
| <b>Total</b>            | <b>-</b> | <b>(14.9)</b> | <b>-</b> | <b>(14.9)</b> |

**Interest rates used for determining fair value**

The interest rates used to discount estimated cash flows of derivative financial instruments, where applicable, are based on Eonia curve at the reporting date. The implicit interest rate has been used for the finance leases is 4.8% for 2014 (2013: 5.1%).

**3.4 Offsetting financial assets and financial liabilities**

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

**December 31, 2014**

| EUR million               | Gross carrying amounts | Gross amounts offset | Net amount presented in statement of financial position | Amounts available to be offset in bankruptcy or default |            | Net Exposure |
|---------------------------|------------------------|----------------------|---------------------------------------------------------|---------------------------------------------------------|------------|--------------|
|                           |                        |                      |                                                         | Financial instruments                                   | Collateral |              |
| <b>Assets</b>             |                        |                      |                                                         |                                                         |            |              |
| Cash and cash equivalents | 106.0                  | (9.4)                | 96.6                                                    | -                                                       | -          | 96.6         |
| <b>Liabilities</b>        | -                      | -                    | -                                                       | -                                                       | -          | -            |
| <b>Total</b>              | <b>106.0</b>           | <b>(9.4)</b>         | <b>96.6</b>                                             | <b>-</b>                                                | <b>-</b>   | <b>96.6</b>  |

**December 31, 2013**

| EUR million               | Gross carrying amounts | Gross amounts offset | Net amount presented in statement of financial position | Amounts available to be offset in bankruptcy or default |            | Net Exposure |
|---------------------------|------------------------|----------------------|---------------------------------------------------------|---------------------------------------------------------|------------|--------------|
|                           |                        |                      |                                                         | Financial instruments                                   | Collateral |              |
| <b>Assets</b>             |                        |                      |                                                         |                                                         |            |              |
| Cash and cash equivalents | 99.5                   | (13.4)               | 86.1                                                    | -                                                       | -          | 86.1         |
| <b>Liabilities</b>        | -                      | -                    | -                                                       | -                                                       | -          | -            |
| <b>Total</b>              | <b>99.5</b>            | <b>(13.4)</b>        | <b>86.1</b>                                             | <b>-</b>                                                | <b>-</b>   | <b>86.1</b>  |

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when either elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis; however, each party to the master netting agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

### 3.5 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, especially the periodical review of useful lives and residual values of property plant and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any subsequent periods affected.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### Held for sale

In 2014 the Board of Directors announced its decision to discontinue the Heerlen and Durham plant. Management considered the subsidiary to meet the criteria to be classified as held for sale at that date for the following reasons:

- The plants are available for immediate sale
- The actions to complete the sale were initiated and expected to be completed within one year from the date

For more details on the held for sale, refer to note 5.8.

#### Segmentation

Refresco management considers the Group as a single operating segment in the context of IFRS 8 because of the high level of centralization and integration within the Group, the core functions performed at the headquarter in Rotterdam and the Pan European approach Refresco applies to its operations. For more details on segmentation, refer to 2.22.

#### Contract Manufacturing

Contract manufacturing consists of the provision of manufacturing services and sale of the resultant product. The nature and the risk profile of the contract with the customer are key in determining whether the Group is providing a manufacturing service or is selling a product. The revenue is recognized solely for the activities, ingredients and materials for which the Group is the principal and has the risk and rewards.

#### Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.10. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations and are recorded in note 5.2. These calculations require the use of estimates.

#### Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

**Fair value of derivatives and other financial instruments**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Additional information is disclosed in note 2.3.

**Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 5.11.

Information for other areas of estimation and critical judgment used in applying accounting policies can be found in the following notes:

- Note 2.8: Leased assets
- Note 3: Financial risk management
- Note 5.1: Property plant and equipment
- Note 5.2: Intangible assets
- Note 5.12: Other provisions

#### 4 NOTES TO THE CONSOLIDATED INCOME STATEMENT

##### 4.1 Revenue

|                              | 2014           | 2013           |
|------------------------------|----------------|----------------|
| EUR million                  |                |                |
| Private label and own brands | 1,687.4        | 1,314.2        |
| Contract manufacturing       | 349.5          | 273.4          |
|                              | <b>2,036.9</b> | <b>1,587.6</b> |

The revenue by location of sales is set forth in the table below.

|             | 2014           | 2013           |
|-------------|----------------|----------------|
| EUR million |                |                |
| Benelux     | 431.8          | 472.9          |
| Germany     | 451.4          | 346.4          |
| France      | 320.2          | 260.4          |
| Iberia      | 153.2          | 148.3          |
| Italy       | 140.4          | 150.5          |
| UK          | 363.2          | 92.2           |
| Other       | 176.7          | 116.9          |
|             | <b>2,036.9</b> | <b>1,587.6</b> |

The litres by location of sales are set forth in the table below.

|                | 2014           | 2013           |
|----------------|----------------|----------------|
| Litres million |                |                |
| Benelux        | 1,058.4        | 1,129.4        |
| Germany        | 1,484.5        | 1,153.6        |
| France         | 862.7          | 750.5          |
| Iberia         | 544.8          | 497.5          |
| Italy          | 783.6          | 822.0          |
| UK             | 634.1          | 153.0          |
| Other          | 600.8          | 584.0          |
|                | <b>5,968.9</b> | <b>5,054.0</b> |



**4.2 Other income**

Other income relates entirely to gains and/or losses on sale of property, plant and equipment.

**4.3 Raw materials and consumables used**

|                               | 2014           | 2013         |
|-------------------------------|----------------|--------------|
| EUR million                   |                |              |
| Raw materials and consumables | 646.9          | 513.3        |
| Packaging materials           | 524.2          | 445.0        |
| Product tax                   | 15.4           | 13.5         |
|                               | <b>1,186.5</b> | <b>971.8</b> |

**4.4 Employee benefits expense**

|                                                       |             | 2014         | 2013         |
|-------------------------------------------------------|-------------|--------------|--------------|
| EUR million                                           |             |              |              |
|                                                       | <b>Note</b> |              |              |
| Wages and salaries                                    |             | 182.0        | 139.4        |
| Compulsory social security contributions              |             | 37.9         | 30.0         |
| Pension contributions to defined contribution schemes |             | 3.4          | 1.9          |
| Pension costs of defined benefit schemes              | 5.11        | 3.5          | 2.6          |
|                                                       |             | <b>226.8</b> | <b>173.9</b> |

During 2014 the average number of fixed employees in the Group, in full-time equivalents ("FTEs"), was 4,194 (2013: 3,229), of which 3,673 (2013: 2,718) were employed outside the Netherlands.

**4.5 Depreciation, amortization and impairments**

|                                               |             | 2014        | 2013        |
|-----------------------------------------------|-------------|-------------|-------------|
| EUR million                                   |             |             |             |
|                                               | <b>Note</b> |             |             |
| Depreciation of property, plant and equipment | 5.1         | 83.9        | 76.5        |
| Amortization of intangible assets             | 5.2         | 2.6         | 3.9         |
| Impairments on tangible fixed assets          | 5.1         | 1.3         | -           |
| Impairments on intangible assets              | 5.2         | -           | 5.9         |
|                                               |             | <b>87.8</b> | <b>86.3</b> |

The depreciation on property, plant and equipment in 2014 includes a reassessment of the useful life and residual value of the plant in St. Andrea for total EUR 2.6 million. The reassessment of the useful life and residual value is no change in accounting method and has no impact on the coming years since the plant will be sold. The impairment on tangible fixed assets regards an impairment of machinery in Benelux and Germany because of the shutdown of the machinery and will have no further impact on coming years.

The depreciation on tangible fixed assets in 2013 includes a reassessment of the useful life and residual value of plants in Durham (UK) and Heerlen (the Netherlands) for an amount of EUR 14.1 million. The impairment on intangible assets in 2013 relates to goodwill on our business in Finland.

#### 4.6 Other operating expenses

| EUR million                                  |             | 2014         | 2013         |
|----------------------------------------------|-------------|--------------|--------------|
|                                              | <b>Note</b> |              |              |
| Freight charges                              |             | 94.8         | 74.2         |
| Other cost of sales, including excise duties |             | 64.0         | 55.2         |
| Promotion costs                              |             | 6.5          | 3.3          |
| Temporary staff                              |             | 18.8         | 12.5         |
| Other personnel costs                        |             | 12.3         | 9.6          |
| Rent and leasing of machinery and equipment  | 6.2         | 22.3         | 19.6         |
| Maintenance                                  |             | 49.5         | 35.1         |
| Energy                                       |             | 47.5         | 40.1         |
| Advice and legal costs                       |             | 15.6         | 13.3         |
| Housing costs, including rental of buildings | 6.2         | 17.3         | 13.8         |
| Storage costs                                |             | 27.0         | 18.4         |
| Other operating costs                        |             | 53.3         | 36.4         |
|                                              |             | <b>429.0</b> | <b>331.5</b> |

Advice and legal costs includes EUR 5.8 million related to the process to actively explore a new capital structure to support future growth and EUR 3.0 million was related to the business combination (2013: EUR 8.7 million).

#### 4.7 Net finance costs

##### Net finance costs recognized in the income statement:

| EUR million                                                                       | 2014          | 2013          |
|-----------------------------------------------------------------------------------|---------------|---------------|
| Interest income                                                                   | 0.2           | 0.3           |
| <b>Finance income</b>                                                             | <b>0.2</b>    | <b>0.3</b>    |
| Interest expense on financial liabilities measured with effective interest method | (47.4)        | (46.8)        |
| Cost of borrowings                                                                | (2.2)         | (1.7)         |
| Change in fair value of derivatives recognized in profit and loss                 | -             | 2.6           |
| <b>Finance costs</b>                                                              | <b>(49.6)</b> | <b>(45.9)</b> |
| <b>Net finance costs</b>                                                          | <b>(49.4)</b> | <b>(45.6)</b> |

The net change in fair value of derivative financial instruments of EUR 0.0 million (2013: EUR 2.6 million positive) relates to changes in the fair value of the interest rate swaps concluded by the Group to hedge the external financing with variable interest rates. The amount reflects the change in fair value of interest rate swaps for which no hedge accounting is applied and/or the releases from other comprehensive income. The amounts are part of interest expenses.

The cost of borrowing relates to the financing costs which were capitalized in the aggregate amount and the effective interest method is applied.

|                                |                            | 2014               | 2013               | 2014               | 2013               |
|--------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|
| EUR million                    | Initial Capitalized Amount | Capitalized Amount | Capitalized Amount | Costs of Borrowing | Costs of Borrowing |
| Notes issued 2011              | 11.5                       | 5.9                | 7.5                | (1.8)              | (1.6)              |
| Revolving Credit facility 2013 | 1.5                        | 1.1                | 1.5                | (0.4)              | (0.1)              |
| <b>Total</b>                   | <b>13.0</b>                | <b>7.0</b>         | <b>9.0</b>         | <b>(2.2)</b>       | <b>(1.7)</b>       |

#### Finance income and costs recognized in other comprehensive income

|                                                                                          | 2014       | 2013       |
|------------------------------------------------------------------------------------------|------------|------------|
| EUR million                                                                              |            |            |
| Foreign currency translation differences for foreign operations                          | 2.6        | (1.2)      |
| Effective portion of changes in fair value of cash flow hedges                           | -          | 3.5        |
| Tax effect                                                                               | (0.2)      | (0.6)      |
| <b>Net finance income / (costs) recognized in other comprehensive income, net of tax</b> | <b>2.4</b> | <b>1.7</b> |
| <b>Recognized in:</b>                                                                    |            |            |
| Translation reserve                                                                      | 2.4        | (1.0)      |
| Hedging reserve                                                                          | -          | 2.7        |
| <b>Net finance income / (costs) recognized in other comprehensive income, net of tax</b> | <b>2.4</b> | <b>1.7</b> |

#### 4.8 Income tax (expense) / benefit

|                                             | 2014          | 2013          |
|---------------------------------------------|---------------|---------------|
| EUR million                                 |               |               |
| <b>Current tax expense</b>                  |               |               |
| Current income tax                          | (20.2)        | (11.7)        |
| Other taxes                                 | (2.5)         | (1.1)         |
| Withholding taxes                           | (0.3)         | -             |
|                                             | <b>(23.0)</b> | <b>(12.8)</b> |
| <b>Deferred tax expenses</b>                |               |               |
| Deferred income tax current year            | 1.6           | 5.1           |
| Deferred income tax previous years          | -             | 0.1           |
| Deferred portion other income taxes         | 0.5           | -             |
|                                             | <b>2.1</b>    | <b>5.2</b>    |
| <b>Total income tax (expense) / benefit</b> | <b>(20.9)</b> | <b>(7.6)</b>  |

## Reconciliation of effective tax rate

| EUR million                                        | 2014          |              | 2013         |                |
|----------------------------------------------------|---------------|--------------|--------------|----------------|
|                                                    |               | %            |              | %              |
| Result before tax                                  | 57.4          |              | (21.2)       |                |
| Income tax based on the Group's statutory rate     | (14.3)        | 25.0%        | 5.3          | 25.0%          |
| Statutory rate differences in the countries        | (0.5)         | 0.9%         | (2.9)        | (13.7%)        |
| Non-deductible operational expenses                | (2.6)         | 4.5%         | (3.1)        | (14.6%)        |
| Non-deductible interest expenses                   | (0.3)         | 0.5%         | (0.5)        | (2.4%)         |
| Investment allowances                              | 0.5           | (0.9%)       | 0.3          | 1.4%           |
| Notional interest deduction                        | 0.1           | (0.2%)       | 0.1          | 0.5%           |
| Participation related results                      | (0.2)         | 0.3%         | -            | 0.0%           |
| Tax rate change impact                             | (1.2)         | 2.1%         | 0.5          | 2.4%           |
| (De)recognition (un)recognized deferred tax assets | 0.3           | (0.5%)       | (6.8)        | (32.1%)        |
| Other taxes                                        | (2.6)         | 4.5%         | (0.7)        | (3.3%)         |
| Prior period taxes                                 | 0.0           | 0.0%         | 0.1          | 0.5%           |
| Other reconciling items                            | (0.1)         | 0.2%         | 0.1          | 0.5%           |
| <b>Total income tax (expense) / benefits</b>       | <b>(20.9)</b> | <b>36.4%</b> | <b>(7.6)</b> | <b>(35.8%)</b> |

The effective tax rate is 36.4%, compared to a blended Group tax rate of 25.9%. The higher effective tax rate is mainly explained by non-deductible transaction costs in the Netherlands, non-deductible interest expenses in France and Finland and non-deductible operational costs in all jurisdictions. Furthermore, the higher effective tax rate can be explained by the rate change impact in Spain and the UK, the derecognition of recognized deferred tax assets on losses in Poland and other taxes to be paid in France and Italy. Finally, notional interest deduction in Belgium and investment allowances in several jurisdictions have a positive impact on the effective tax rate.

## Income tax recognized in other comprehensive income

|                                                                           | 2014         | 2013       |
|---------------------------------------------------------------------------|--------------|------------|
| EUR million                                                               |              |            |
| Changes in tax on hedging reserve currency translation adjustment         | (0.2)        | 0.2        |
| Changes in tax on hedging reserve foreign currency hedge instruments      | (1.7)        | -          |
| Changes in tax on hedging reserve interest rate swaps                     | -            | (0.8)      |
| Changes in tax on actuarial gains and losses in OCI                       | 1.2          | 2.1        |
| <b>Total income tax (expense) / benefit in other comprehensive income</b> | <b>(0.7)</b> | <b>1.5</b> |

## 5 NOTES TO THE CONSOLIDATED BALANCE SHEET

## 5.1 Property, plant and equipment

| EUR million                               | Note | Land and buildings | Machinery and equipment | Other fixed assets | Under construction | Total          |
|-------------------------------------------|------|--------------------|-------------------------|--------------------|--------------------|----------------|
| <b>Cost</b>                               |      |                    |                         |                    |                    |                |
| <b>January 1, 2013</b>                    |      | <b>206.0</b>       | <b>373.3</b>            | <b>36.1</b>        | <b>12.4</b>        | <b>627.8</b>   |
| Additions                                 |      | 0.9                | 9.5                     | 2.4                | 34.5               | 47.3           |
| Reclassifications                         |      | 3.1                | 21.8                    | 1.6                | (27.5)             | (1.0)          |
| Acquired through business combinations    |      | 89.6               | 73.8                    | 0.6                | 1.6                | 165.6          |
| Disposals                                 |      | (0.2)              | (6.5)                   | (0.7)              | 0.1                | (7.3)          |
| Effect of movements in exchange rates     |      | (0.2)              | (0.7)                   | -                  | -                  | (0.9)          |
| <b>December 31, 2013</b>                  |      | <b>299.2</b>       | <b>471.2</b>            | <b>40.0</b>        | <b>21.1</b>        | <b>831.5</b>   |
| <b>January 1, 2014</b>                    |      | <b>299.2</b>       | <b>471.2</b>            | <b>40.0</b>        | <b>21.1</b>        | <b>831.5</b>   |
| Additions                                 |      | 3.9                | 15.8                    | 3.0                | 59.3               | 82.0           |
| Reclassifications                         |      | 9.5                | 31.1                    | 5.1                | (45.8)             | (0.1)          |
| Transfer to assets held for sale          | 5.8  | (8.9)              | (15.9)                  | (0.4)              | -                  | (25.2)         |
| Disposals                                 |      | -                  | (1.0)                   | (1.1)              | (0.1)              | (2.2)          |
| Effect of movements in exchange rates     |      | 4.0                | 3.4                     | 0.1                | 0.1                | 7.6            |
| <b>December 31, 2014</b>                  |      | <b>307.7</b>       | <b>504.6</b>            | <b>46.7</b>        | <b>34.6</b>        | <b>893.6</b>   |
| <b>Depreciation and impairment losses</b> |      |                    |                         |                    |                    |                |
| <b>January 1, 2013</b>                    |      | <b>(36.2)</b>      | <b>(182.8)</b>          | <b>(17.4)</b>      | <b>-</b>           | <b>(236.4)</b> |
| Depreciation for the year                 | 4.5  | (14.1)             | (57.0)                  | (5.4)              | -                  | (76.5)         |
| Reclassification                          |      | (0.6)              | 0.6                     | -                  | -                  | -              |
| Disposals                                 |      | 0.2                | 5.6                     | 0.8                | -                  | 6.6            |
| Effect of movements in exchange rates     |      | 0.1                | 0.1                     | -                  | -                  | 0.2            |
| <b>December 31, 2013</b>                  |      | <b>(50.6)</b>      | <b>(233.5)</b>          | <b>(22.0)</b>      | <b>-</b>           | <b>(306.1)</b> |
| <b>January 1, 2014</b>                    |      | <b>(50.6)</b>      | <b>(233.5)</b>          | <b>(22.0)</b>      | <b>-</b>           | <b>(306.1)</b> |
| Depreciation for the year                 | 4.5  | (14.0)             | (64.7)                  | (5.2)              | -                  | (83.9)         |
| Reclassification                          |      | 0.9                | (0.1)                   | (0.8)              | -                  | -              |
| Impairment                                | 4.5  | -                  | (1.3)                   | -                  | -                  | (1.3)          |
| Transfer to assets held for sale          | 5.8  | 6.8                | 14.3                    | 0.3                | -                  | 21.4           |
| Disposals                                 |      | 0.1                | 0.6                     | 0.7                | -                  | 1.4            |
| Effect of movements in exchange rates     |      | (0.1)              | (1.4)                   | (0.1)              | -                  | (1.6)          |
| <b>December 31, 2014</b>                  |      | <b>(56.9)</b>      | <b>(286.1)</b>          | <b>(27.1)</b>      | <b>-</b>           | <b>(370.1)</b> |
| <b>Carrying amounts</b>                   |      |                    |                         |                    |                    |                |
| <b>January 1, 2013</b>                    |      | <b>169.8</b>       | <b>190.5</b>            | <b>18.7</b>        | <b>12.4</b>        | <b>391.4</b>   |
| <b>December 31, 2013</b>                  |      | <b>248.6</b>       | <b>237.7</b>            | <b>18.0</b>        | <b>21.1</b>        | <b>525.4</b>   |
| <b>December 31, 2014</b>                  |      | <b>250.8</b>       | <b>218.5</b>            | <b>19.6</b>        | <b>34.6</b>        | <b>523.5</b>   |

### Impairment losses

In 2014 the impairment is related to machinery which is impaired to nihil. The total impairment amounts to EUR 1.3 million and is disclosed in note 4.5.

### Financial leases

The Group leases a warehouse and production equipment under a number of finance lease agreements secured on the underlying leased assets (reference is made to note 5.10). At December 31, 2014, the carrying amount of leased plant and machinery was EUR 15.4 million (2013: EUR 17.8 million).

### Collateral

Collateral for the redemption of the notes and the revolving credit facility has been given on specific property, plant and equipment in the Netherlands and Germany and on specific real estate in Finland and Poland with a carrying amount of EUR 116.6 million (2013: 113.8 million). The full collateral of the notes and the revolving credit facility is disclosed in note 5.10. Collateral on the land and buildings in Bridgwater in the UK is given for the mortgage loan for an amount of EUR 66.8 million.

### Reclassification

The reclassification relates to a transfer of amounts to the correct assets classes.

### Property, plant and equipment under construction

Property, plant and equipment under construction relates mainly to expansion of production facilities in the Netherlands, Germany, France, Iberia and Poland. After construction is complete, the assets are reclassified to the applicable property, plant and equipment category. The net balance of reclassifications is related to assets under construction transferred to intangible fixed assets.

### The entity-wide disclosures for property, plant and equipment

|                                                                           | 2014         | 2013         |
|---------------------------------------------------------------------------|--------------|--------------|
| EUR million                                                               |              |              |
| Benelux                                                                   | 65.1         | 62.4         |
| Germany                                                                   | 105.8        | 110.2        |
| France                                                                    | 82.6         | 76.5         |
| Iberia                                                                    | 104.5        | 110.5        |
| Italy                                                                     | 49.6         | 49.6         |
| UK                                                                        | 75.5         | 78.0         |
| Other                                                                     | 40.4         | 38.2         |
| <b>Total income tax (expense) / benefit in other comprehensive income</b> | <b>523.5</b> | <b>525.4</b> |

## 5.2 Intangible assets

| EUR million                                | Note | Goodwill      | Brands and sales channels | Other         | Assets under construction | Total         |
|--------------------------------------------|------|---------------|---------------------------|---------------|---------------------------|---------------|
| <b>Cost</b>                                |      |               |                           |               |                           |               |
| <b>January 1, 2013</b>                     |      | <b>300.1</b>  | <b>7.6</b>                | <b>13.2</b>   | <b>0.2</b>                | <b>321.1</b>  |
| Acquisitions through business combinations |      | 132.5         | -                         | 0.7           | -                         | 133.2         |
| Additions                                  |      | -             | -                         | 0.1           | 0.4                       | 0.5           |
| Disposals                                  |      | -             | -                         | (0.3)         | -                         | (0.3)         |
| Reclassifications                          |      | -             | -                         | 1.3           | (0.3)                     | 1.0           |
| Effect of movements in exchange rates      |      | (0.5)         | -                         | -             | -                         | (0.5)         |
| <b>December 31, 2013</b>                   |      | <b>432.1</b>  | <b>7.6</b>                | <b>15.0</b>   | <b>0.3</b>                | <b>455.0</b>  |
| <b>January 1, 2014</b>                     |      | <b>432.1</b>  | <b>7.6</b>                | <b>15.0</b>   | <b>0.3</b>                | <b>455.0</b>  |
| Acquisitions through business combinations | 6.1  | 7.4           | -                         | -             | -                         | 7.4           |
| Additions                                  |      | -             | -                         | -             | 0.9                       | 0.9           |
| Disposals                                  |      | -             | -                         | (0.1)         | -                         | (0.1)         |
| Reclassifications                          |      | -             | -                         | 0.8           | (0.7)                     | 0.1           |
| Effect of movements in exchange rates      |      | 0.4           | -                         | 0.1           | (0.1)                     | 0.4           |
| <b>December 31, 2014</b>                   |      | <b>439.9</b>  | <b>7.6</b>                | <b>15.8</b>   | <b>0.4</b>                | <b>463.7</b>  |
| <b>Amortization and impairment losses</b>  |      |               |                           |               |                           |               |
| <b>January 1, 2013</b>                     |      | <b>(11.7)</b> | <b>(2.4)</b>              | <b>(8.8)</b>  | <b>-</b>                  | <b>(22.9)</b> |
| Amortization for the year                  | 4.5  | -             | (1.3)                     | (2.6)         | -                         | (3.9)         |
| Impairment losses                          | 4.5  | (5.9)         | -                         | -             | -                         | (5.9)         |
| Disposals                                  |      | -             | -                         | 0.3           | -                         | 0.3           |
| Effect of movements in exchange rates      |      | 0.2           | -                         | -             | -                         | 0.2           |
| <b>December 31, 2013</b>                   |      | <b>(17.4)</b> | <b>(3.7)</b>              | <b>(11.1)</b> | <b>-</b>                  | <b>(32.2)</b> |
| <b>January 1, 2014</b>                     |      | <b>(17.4)</b> | <b>(3.7)</b>              | <b>(11.1)</b> | <b>-</b>                  | <b>(32.2)</b> |
| Amortization for the year                  | 4.5  | -             | (0.7)                     | (1.9)         | -                         | (2.6)         |
| Disposals                                  |      | -             | -                         | 0.1           | -                         | 0.1           |
| Effect of movements in exchange rates      |      | (0.6)         | -                         | -             | -                         | (0.6)         |
| <b>December 31, 2014</b>                   |      | <b>(18.0)</b> | <b>(4.4)</b>              | <b>(12.9)</b> | <b>-</b>                  | <b>(35.3)</b> |
| <b>Carrying amounts</b>                    |      |               |                           |               |                           |               |
| <b>January 1, 2013</b>                     |      | <b>288.4</b>  | <b>5.2</b>                | <b>4.4</b>    | <b>0.2</b>                | <b>298.2</b>  |
| <b>December 31, 2013</b>                   |      | <b>414.7</b>  | <b>3.9</b>                | <b>3.9</b>    | <b>0.3</b>                | <b>422.8</b>  |
| <b>December 31, 2014</b>                   |      | <b>421.9</b>  | <b>3.2</b>                | <b>2.9</b>    | <b>0.4</b>                | <b>428.4</b>  |

The net balance of reclassifications relates to assets which were classified as assets under construction in tangible fixed assets.



### Amortization and impairment charge

Amortization and impairment losses are recognized in depreciation, amortization and impairment expense in the income statement.

### Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating units of the Group, being the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

|             | 2014         | 2013         |
|-------------|--------------|--------------|
| EUR million |              |              |
| Benelux     | 93.7         | 93.7         |
| France      | 82.5         | 81.6         |
| Germany     | 39.8         | 39.8         |
| Iberia      | 35.7         | 35.7         |
| Poland      | 22.1         | 22.0         |
| UK          | 117.7        | 111.5        |
| Finland     | 5.4          | 5.4          |
| Italy       | 25.0         | 25.0         |
|             | <b>421.9</b> | <b>414.7</b> |

The goodwill recognized in 2014 amounts to EUR 7.4 million and is related to the business combination with Gerber Emig in 2013 and has been adjusted for France and UK. The goodwill adjustment is disclosed in note 6.1.

The recoverable amounts of the cash-generating units are based on value-in-use calculations. Value-in-use was determined by discounting the future pre-tax cash flows generated from the continuing use of the unit using a pre-tax discount rate and was based on the following key assumptions:

- Cash flows were projected based on the current operating results, the budget for 2015 approved by the Executive and Supervisory Board, the 3-year business plan covering the period 2015-2017. Future cash flows beyond this period were extrapolated using a growth rate which is based on the growth expectations of the local market. These growth expectations are retrieved from researches from independent external sources. The growth rates are in a range of 1% to 1.5% and are considered conservative taking into account the expected private label market development. The company takes into account production efficiency improvements, waste reduction and cost reduction programs currently started, which will contribute positive to the future cash flows. Management believes that this forecast period was appropriate to the long-term nature of the business.
- A pre-tax discount rate is based on credit risk per country, a weighted average cost of capital applicable to the industry and the applicable tax rate per cash generating unit. Compared to last year differences between business units increased as result of more detailed approach.

| <b>Pre-tax WACC</b> | <b>2014</b> | <b>2013</b> |
|---------------------|-------------|-------------|
| %                   |             |             |
| Benelux             | 8.5         | 10.1        |
| France              | 10.6        | 12.4        |
| Germany             | 9.1         | 10.3        |
| Iberia              | 11.7        | 15.2        |
| Italy               | 11.2        | 14.4        |
| Poland              | 10.0        | 11.7        |
| UK                  | 8.9         | 12.3        |
| Finland             | 8.0         | 10.9        |

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources (historical data). The recoverable amounts of the units were determined to be higher than their carrying values and accordingly no impairment charges have been recognized.

In 2014 no impairments took place. In 2013 EUR 5.9 million was impaired on goodwill related to Finland due to lower expectations of future developments.

#### **Sensitivity analysis**

A sensitivity analysis of a 100 basis points adverse change in key assumptions (lower growth rates or higher discount rates respectively) did not result in a materially different outcome of the impairment test.

#### **The entity-wide disclosures for brands and sales channels, other and assets under construction**

|             | <b>2014</b> | <b>2013</b> |
|-------------|-------------|-------------|
| EUR million |             |             |
| Benelux     | 0.9         | 0.8         |
| Germany     | 0.6         | 0.9         |
| France      | 0.4         | 0.5         |
| Iberia      | 0.1         | 0.4         |
| Italy       | 3.2         | 3.9         |
| UK          | 0.3         | 0.4         |
| Other       | 1.0         | 1.2         |
|             | <b>6.5</b>  | <b>8.1</b>  |

#### **5.3 Other investments**

##### **Non-current investments**

|                                           | <b>2014</b> | <b>2013</b> |
|-------------------------------------------|-------------|-------------|
| EUR million                               |             |             |
| Deposits and other financial fixed assets | 5.7         | 5.9         |
|                                           | <b>5.7</b>  | <b>5.9</b>  |

The amount includes a credit facility granted to the Executive Board of EUR 2.2 million with at arm's length conditions.

## Current investments

|                                               | 2014       | 2013       |
|-----------------------------------------------|------------|------------|
| EUR million                                   |            |            |
| Derivatives used for foreign currency hedging | 9.3        | 0.2        |
|                                               | <b>9.3</b> | <b>0.2</b> |

The exposure to credit, currency and interest rate risks related to other investments is disclosed in note 3.

## 5.4 Deferred income tax assets and liabilities

The deferred tax assets and liabilities are related to the following account balances:

|                                                                  | Assets      |             | Liabilities   |               | Net           |              |
|------------------------------------------------------------------|-------------|-------------|---------------|---------------|---------------|--------------|
|                                                                  | 2014        | 2013        | 2014          | 2013          | 2014          | 2013         |
| EUR million                                                      |             |             |               |               |               |              |
| Property plant and equipment                                     | 0.4         | -           | (38.7)        | (36.5)        | (38.3)        | (36.5)       |
| Intangible assets                                                | 1.9         | 2.1         | (0.9)         | (1.3)         | 1.0           | 0.8          |
| Inventories                                                      | 0.4         | 0.3         | -             | -             | 0.4           | 0.3          |
| Trade and other receivables                                      | 0.9         | 0.7         | -             | -             | 0.9           | 0.7          |
| Loans and borrowings                                             | 0.7         | 1.1         | (2.1)         | (2.5)         | (1.4)         | (1.4)        |
| Derivatives                                                      | 1.2         | 3.4         | (0.7)         | -             | 0.5           | 3.4          |
| Employee benefits provision                                      | 6.4         | 5.2         | -             | -             | 6.4           | 5.2          |
| Other provisions                                                 | 1.1         | 1.8         | -             | -             | 1.1           | 1.8          |
| Current liabilities                                              | 2.5         | 2.2         | (0.9)         | (0.7)         | 1.6           | 1.5          |
| Tax loss carry forward                                           | 16.7        | 17.9        | -             | -             | 16.7          | 17.9         |
| <b>Deferred tax assets / (liabilities)</b>                       | <b>32.2</b> | <b>34.7</b> | <b>(43.3)</b> | <b>(41.0)</b> | <b>(11.1)</b> | <b>(6.3)</b> |
| Deferred tax to be recovered (settled) after more than 12 months |             |             |               |               | (9.0)         | (11.1)       |
| Deferred tax asset on balance sheet                              |             |             |               |               | 4.2           | 9.5          |
| Deferred tax liability on balance sheet                          |             |             |               |               | (15.3)        | (15.8)       |
| <b>Net deferred tax assets / (liabilities)</b>                   |             |             |               |               | <b>(11.1)</b> | <b>(6.3)</b> |

On the balance sheet deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

| <b>Movement 2014</b>                       | <b>January 1, 2014</b> | <b>Recognized in the income statement</b> | <b>Recognized in equity / OCI</b> | <b>Acquired in business combinations</b> | <b>Effect of movement in exchange rates</b> | <b>Other movements</b> | <b>December 31, 2014</b> |
|--------------------------------------------|------------------------|-------------------------------------------|-----------------------------------|------------------------------------------|---------------------------------------------|------------------------|--------------------------|
| EUR million                                |                        |                                           |                                   |                                          |                                             |                        |                          |
| Property plant and equipment               | (36.5)                 | 5.3                                       | -                                 | -                                        | (0.5)                                       | (6.6)                  | (38.3)                   |
| Intangible assets                          | 0.8                    | 0.2                                       | -                                 | -                                        | -                                           | -                      | 1.0                      |
| Inventories                                | 0.3                    | 0.1                                       | -                                 | -                                        | -                                           | -                      | 0.4                      |
| Trade and other receivables                | 0.7                    | 0.2                                       | -                                 | -                                        | -                                           | -                      | 0.9                      |
| Loans and borrowings                       | (1.4)                  | 0.3                                       | (0.2)                             | -                                        | (0.1)                                       | -                      | (1.4)                    |
| Derivatives                                | 3.4                    | (1.3)                                     | (1.7)                             | -                                        | 0.1                                         | -                      | 0.5                      |
| Employee benefits provision                | 5.2                    | 0.1                                       | 1.2                               | -                                        | -                                           | (0.1)                  | 6.4                      |
| Other provisions                           | 1.8                    | (0.9)                                     | -                                 | -                                        | 0.1                                         | 0.1                    | 1.1                      |
| Current liabilities                        | 1.5                    | 0.2                                       | -                                 | -                                        | (0.1)                                       | -                      | 1.6                      |
| Tax loss carry-forwards                    | 17.9                   | (2.1)                                     | -                                 | -                                        | -                                           | 0.9                    | 16.7                     |
| <b>Deferred tax assets / (liabilities)</b> | <b>(6.3)</b>           | <b>2.1</b>                                | <b>(0.7)</b>                      | <b>-</b>                                 | <b>(0.5)</b>                                | <b>(5.7)</b>           | <b>(11.1)</b>            |

| <b>Movement 2013</b>                       | <b>January 1, 2013</b> | <b>Recognized in the income statement</b> | <b>Recognized in equity / OCI</b> | <b>Acquired in business combinations</b> | <b>Effect of movement in exchange rates</b> | <b>Other movements</b> | <b>December 31, 2013</b> |
|--------------------------------------------|------------------------|-------------------------------------------|-----------------------------------|------------------------------------------|---------------------------------------------|------------------------|--------------------------|
| EUR million                                |                        |                                           |                                   |                                          |                                             |                        |                          |
| Property plant and equipment               | (31.9)                 | 6.9                                       | -                                 | (11.4)                                   | (0.1)                                       | -                      | (36.5)                   |
| Intangible assets                          | 2.4                    | (1.9)                                     | -                                 | 0.3                                      | -                                           | -                      | 0.8                      |
| Inventories                                | (0.4)                  | 0.7                                       | -                                 | -                                        | -                                           | -                      | 0.3                      |
| Trade and other receivables                | 0.8                    | (0.2)                                     | -                                 | 0.1                                      | -                                           | -                      | 0.7                      |
| Loans and borrowings                       | (1.9)                  | 1.3                                       | 0.2                               | (1.0)                                    | -                                           | -                      | (1.4)                    |
| Derivatives                                | 5.6                    | (2.7)                                     | (0.8)                             | 1.3                                      | -                                           | -                      | 3.4                      |
| Employee benefits provision                | 2.9                    | (0.3)                                     | 2.1                               | 0.5                                      | -                                           | -                      | 5.2                      |
| Other provisions                           | 1.6                    | (0.2)                                     | -                                 | 0.4                                      | -                                           | -                      | 1.8                      |
| Current liabilities                        | (2.3)                  | 3.7                                       | -                                 | 0.1                                      | -                                           | -                      | 1.5                      |
| Tax loss carry-forwards                    | 18.5                   | (2.1)                                     | -                                 | 1.5                                      | -                                           | -                      | 17.9                     |
| <b>Deferred tax assets / (liabilities)</b> | <b>(4.7)</b>           | <b>5.2</b>                                | <b>1.5</b>                        | <b>(8.2)</b>                             | <b>(0.1)</b>                                | <b>-</b>               | <b>(6.3)</b>             |

#### Tax losses carry-forwards

The Group recognizes deferred tax assets on loss carry forwards when future taxable profits are expected that can be offset with these losses. These loss carry forwards amount to EUR 106 million (2013: EUR 123.4 million) as per December 31, 2014, of which EUR 25 million (2013: EUR 42.0 million) is not recognized.

The deferred tax assets related to loss carry forwards expire in the following years:

|                                   | 2014        | 2013        |
|-----------------------------------|-------------|-------------|
| EUR million                       |             |             |
| 2015                              | -           | -           |
| 2016                              | -           | 0.5         |
| After 2016 but not unlimited      | 5.5         | 10.2        |
| Unlimited                         | 16.4        | 15.6        |
| <b>Total</b>                      | <b>21.9</b> | <b>26.3</b> |
| Recognized as deferred tax assets | 16.7        | 17.9        |
| Unrecognized                      | 5.2         | 8.4         |

The decrease in the deferred tax assets relates to loss carry forwards is due to the utilization of losses in the Netherlands, France, Poland and the UK. Furthermore, as part of the finalization of the purchase price allocation of the Gerber Emig merger a reassessment of the forfeiture of losses in Germany relating to the change of control of Gerber Emig in 2013 have resulted in an adjustment of deferred tax asset for temporary differences on property, plant and equipment in Emig GmbH in Germany for EUR 6.0 million as disclosed in note 6.1. The unrecognized losses are mainly attributable to the UK where the available losses are ring-fenced for offsetting with future profits.

The deferred tax position contains EUR 6.3 million deferred tax assets relating to recognized NOL's for Germany. In case of a future change of control of 25% - 50% a pro rata part of these NOL's will forfeit. In case of a change of control of 50% or more the full amount of NOL's might forfeit.

## 5.5 Inventories

|                                        | 2014         | 2013         |
|----------------------------------------|--------------|--------------|
| EUR million                            |              |              |
| Stock of raw materials and consumables | 121.0        | 129.1        |
| Stock of finished goods                | 68.3         | 85.1         |
|                                        | <b>189.3</b> | <b>214.2</b> |

Inventory is shown net of a provision for obsolescence of EUR 13.6 million (2013: EUR 10.0 million).

## 5.6 Trade and other receivables

|                                                   |              | 2014         | 2013         |
|---------------------------------------------------|--------------|--------------|--------------|
| EUR million                                       |              |              |              |
|                                                   | <b>Note</b>  |              |              |
| Trade receivables                                 |              | 351.1        | 320.8        |
| Other receivables, prepayments and accrued income |              | 21.0         | 19.7         |
| Other taxes and social security premiums          |              | 10.0         | 9.7          |
|                                                   | <b>3.1.1</b> | <b>382.1</b> | <b>350.2</b> |
| Non-current                                       |              | -            | -            |
| Current                                           |              | 382.1        | 350.2        |

The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 3.

## 5.7 Cash and cash equivalents

|                                                                          |             | 2014        | 2013        |
|--------------------------------------------------------------------------|-------------|-------------|-------------|
| EUR million                                                              | <b>Note</b> |             |             |
| Bank balances                                                            |             | 96.6        | 86.1        |
| Deposits                                                                 |             | -           | -           |
| <b>Cash and cash equivalents</b>                                         |             | <b>96.6</b> | <b>86.1</b> |
| Bank overdrafts (included in loans and borrowings)                       | 5.10        | -           | (0.5)       |
| <b>Cash and cash equivalents in the consolidated cash flow statement</b> |             | <b>96.6</b> | <b>85.6</b> |

Total amount blocked for bank guarantees or issued letters of credits is EUR 12.7 million (2013: EUR 7.6 million). The term of the deposits is less than 3 months.

The exposure to interest rate risk and the sensitivity analysis for financial assets and liabilities are disclosed in note 3.1.3.

## 5.8 Non-current assets and liabilities held for sale and discontinued operations

|                                         | 2014       | 2013       |
|-----------------------------------------|------------|------------|
| EUR million                             |            |            |
| Assets classified as held for sale      | 3.8        | 6.7        |
| Liabilities classified as held for sale | -          | (2.1)      |
| <b>Net balance</b>                      | <b>3.8</b> | <b>4.6</b> |

The assets held for sale end of 2014 consist of property, plant and equipment in Heerlen and Durham.

In 2013 the assets held for sale was related to the former Gerber Emig plant in Waibstadt and is sold in July 2014.

In accordance with IFRS 5, the assets and liabilities held for sale, which were acquired as part of a business combination, were measured at the fair value less costs to sell of EUR 3.8 million. These level 2 fair values are based on non-binding offers obtained in the sales process of the plant.

The movement of assets and liabilities held for sale is as follows:

|                                                    | 2014       | 2013       |
|----------------------------------------------------|------------|------------|
| EUR million                                        |            |            |
| Assets classified as held for sale as at January 1 | 6.7        | -          |
| Transfer from / (to) property, plant and equipment | 3.8        | -          |
| Acquired through business combination              | -          | 6.7        |
| Assets sold                                        | (6.7)      | -          |
| <b>Assets held for sale</b>                        | <b>3.8</b> | <b>6.7</b> |

|                                                         | 2014     | 2013       |
|---------------------------------------------------------|----------|------------|
| EUR million                                             |          |            |
| Liabilities classified as held for sale as at January 1 | 2.1      | -          |
| Transfer from / (to) property, plant and equipment      | -        | -          |
| Acquired through business combination                   | -        | 2.1        |
| Liabilities sold                                        | (2.1)    | -          |
| <b>Liabilities held for sale</b>                        | <b>-</b> | <b>2.1</b> |

The result of Waibstadt and the allocated overhead costs for 2014 have been included in discontinued operations.

Analysis of the result of discontinued operations and the result recognized on the re-measurement of assets or disposal group is as follows:

|                                                                                    | 2014         | 2013         |
|------------------------------------------------------------------------------------|--------------|--------------|
| EUR million                                                                        |              |              |
| Revenue                                                                            | 110.8        | 18.7         |
| Expenses                                                                           | (108.7)      | (18.8)       |
| <b>Profit/(loss) before tax of discontinued operations</b>                         | <b>(2.1)</b> | <b>(0.1)</b> |
| Tax                                                                                | (0.6)        | -            |
| <b>Profit/(loss) after tax of discontinued operations</b>                          | <b>1.5</b>   | <b>(0.1)</b> |
| After tax gain/(loss) recognized on the re-measurement of assets of disposal group | 0.7          | -            |
| <b>Profit/(loss) for the year from discontinued operations</b>                     | <b>2.2</b>   | <b>(0.1)</b> |

The cash inflow of the Waibstadt sale amounts to EUR 21.0 million and is related to the sale of inventory, assets held for sale and liabilities held for sale and additional cost. The recorded gain on the sale amounts to EUR 0.7 million.

## 5.9 Equity

### Share capital

Share capital and authorised capital as at December 31, 2014 (and as at December 31, 2013) consists of:

- 430,733,300 ordinary shares A with a nominal value of EUR 0.01 each
- 64,800 ordinary shares A1A with a nominal value of EUR 0.01 each
- 21,161 ordinary shares A1B with a nominal value of EUR 0.01 each
- 1 ordinary share A2 with a nominal value of EUR 0.01 each
- 163,381,597 ordinary shares B with a nominal value of EUR 0.01 each
- 1 ordinary share B1 with a nominal value of EUR 0.01 each

The Group issued all shares as at December 31, 2014 (and as at December 31, 2013). None of the class A2 ordinary shares and none of the class B1 ordinary shares shall have any rights to participate in any dividends or distributions of any kind. Out of the profits earned in a financial year, in so far as possible, a preferred dividend shall accrue on each A1A and A1B ordinary shares respectively in the amount of 10% per annum on the total amounts invested on such shares, and the holders thereof are also entitled to a preferred distribution in case of liquidation out of the balance remaining following payment of the debts of the dissolved company. Any residual balance will be distributed to holders of the ordinary shares. Both the Company and the shareholders have agreed in the Articles of Association that any distribution of dividend is discretionary to the Company and requires the prior approval of the General Meeting of Shareholders. The meeting of class A1A and the meeting of class A1B ordinary shares respectively may resolve that any dividend to which they are entitled shall be credited to a dividend reserve maintained by the Company with respect to such shares. Each class A1A, A1B and B ordinary share carries the right to one vote, the class A2



ordinary share carries the right to 118,003,921 votes, and the class B1 ordinary shares carries the right to 44,792,714 votes. The Company can acquire any fully paid-up shares in its own capital subject to among others the General Meeting of Shareholders having authorized the acquisition in accordance with the Articles of Association.

### Share premium

|                                        | 2014         | 2013         |
|----------------------------------------|--------------|--------------|
| EUR million                            |              |              |
| Share premium as at January 1          | 440.7        | 259.8        |
| Issuance of new shares to Tamoa Ltd.   | -            | 180.9        |
| <b>Share premium as at December 31</b> | <b>440.7</b> | <b>440.7</b> |

Share premium consist of € 186.6 million from ordinary A1A and A1B shares and € 254.1 million from ordinary A and B shares.

### Other reserves

The other reserves consist of translation reserves, hedging reserves and actuarial gains and losses. The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations of the Group. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred.

The movement of the other reserves is as follows:

| Other reserves                       | Hedge reserve<br>Interest<br>rate swaps | Hedge reserve<br>FX instruments | Currency<br>translation<br>reserve | Actuarial gains<br>and losses<br>on pensions | Total         | Non controlling<br>interest | Total<br>Other reserves |
|--------------------------------------|-----------------------------------------|---------------------------------|------------------------------------|----------------------------------------------|---------------|-----------------------------|-------------------------|
| EUR million                          |                                         |                                 |                                    |                                              |               |                             |                         |
| <b>Balance as at January 1, 2014</b> | <b>(3.0)</b>                            | <b>(0.9)</b>                    | <b>(0.4)</b>                       | <b>(10.2)</b>                                | <b>(14.5)</b> | <b>-</b>                    | <b>(14.5)</b>           |
| Changes in cashflow hedge            | -                                       | 6.9                             | -                                  | -                                            | 6.9           | -                           | 6.9                     |
| Translation results                  | -                                       | -                               | 2.6                                | -                                            | 2.6           | -                           | 2.6                     |
| Employee benefits mutation           | -                                       | -                               | -                                  | (3.2)                                        | (3.2)         | -                           | (3.2)                   |
| Tax                                  | -                                       | (1.7)                           | 0.2                                | 1.2                                          | (0.7)         | -                           | (0.7)                   |
| <b>December 31, 2014</b>             | <b>(3.0)</b>                            | <b>4.3</b>                      | <b>2.0</b>                         | <b>(12.2)</b>                                | <b>(8.9)</b>  | <b>-</b>                    | <b>(8.9)</b>            |
| <b>Balance as at January 1, 2013</b> | <b>(5.7)</b>                            | <b>(0.8)</b>                    | <b>0.6</b>                         | <b>(4.1)</b>                                 | <b>(10.0)</b> | <b>-</b>                    | <b>(10.0)</b>           |
| Changes in cashflow hedge            | 3.5                                     | (0.1)                           | -                                  | -                                            | 3.4           | -                           | 3.4                     |
| Translation results                  | -                                       | -                               | (1.2)                              | -                                            | (1.2)         | -                           | (1.2)                   |
| Employee benefits mutation           | -                                       | -                               | -                                  | (8.2)                                        | (8.2)         | -                           | (8.2)                   |
| Tax                                  | (0.8)                                   | -                               | 0.2                                | 2.1                                          | 1.5           | -                           | 1.5                     |
| <b>December 31, 2013</b>             | <b>(3.0)</b>                            | <b>(0.9)</b>                    | <b>(0.4)</b>                       | <b>(10.2)</b>                                | <b>(14.5)</b> | <b>-</b>                    | <b>(14.5)</b>           |

### Retained earnings

The loss of 2013 has been deducted from the retained earnings.

### Dividends

In 2014 no dividends were paid. As at December 31, 2014, the unpaid cumulative dividend on the ordinary shares A1A and A1B amounted to EUR 105.6 million (2013: EUR 79.1 million).

### Legal reserves

Within the other reserves the hedge reserve interest rate swap, hedge reserve FX instruments and currency translation reserve are legal reserves. Within these legal reserves the negative amount for hedge reserve interest rate swap should be taken into account for dividend distribution.

### Non-controlling interest

The Group owns 90% of Emig GmbH which is included in the consolidated financial statements. The other 10% is held by Okil Holding B.V., a shareholder of the Group.

|                                          | 2014       | 2013       |
|------------------------------------------|------------|------------|
| EUR million                              |            |            |
| Non-controlling interest as at January 1 | 3.6        | -          |
| Business combinations                    | (0.9)      | 4.1        |
| Results of the year                      | 0.1        | (0.5)      |
| <b>As at December 31</b>                 | <b>2.8</b> | <b>3.6</b> |

### Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent (A and B shares) by the weighted average number of ordinary shares outstanding during the year taking into account that out of the profits earned in a financial year, a (cumulative) preferred dividend is accrued on each A1A and A1B ordinary shares respectively in the amount of 10% per annum on the total amounts invested on such shares.

The following reflects the income and share data used in the basic EPS computations:

|                                                                                                              | 2014               | 2013               |
|--------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Profit attributable to ordinary equity holders of the parent:</b>                                         |                    |                    |
| Continuing operations                                                                                        | 36.5               | (28.8)             |
| Discontinued operations                                                                                      | 2.2                | (0.1)              |
| <b>Profit attributable to ordinary equity holders of the parent</b>                                          | <b>38.7</b>        | <b>(28.9)</b>      |
| Accrual for cumulative dividend A1A and A1B shares                                                           | (26.6)             | (24.1)             |
| Profit for the year attributable to ordinary equity holders of the parent                                    | 12.1               | (53.0)             |
| Profit from continuing operations attributable to ordinary equity holders of the parent                      | 9.8                | (52.9)             |
| <b>Weighted average number of ordinary shares for basic EPS</b>                                              | <b>594,114,897</b> | <b>594,114,897</b> |
| Basic and diluted profit for the year attributable to ordinary equity holders of the parent                  | 0.02               | (0.09)             |
| Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent    | 0.02               | (0.09)             |
| Basic and diluted profit from discontinuing operations attributable to ordinary equity holders of the parent | 0.00               | 0.00               |

**5.10 Loans and borrowings**

The interest-bearing loans and borrowings are recognized at amortized cost. The exposure to interest rate, foreign currency and liquidity risks is disclosed in note 3.1.

**Non-current liabilities**

|                                                      | 2014         | 2013         |
|------------------------------------------------------|--------------|--------------|
| EUR million                                          |              |              |
| Notes issues (Eurobond on Luxembourg Stock Exchange) | 654.2        | 652.5        |
| Revolving credit facility                            | (1.1)        | 98.5         |
| Mortgage loan                                        | 30.3         | 31.0         |
| Finance lease liabilities                            | 0.8          | 2.6          |
|                                                      | <b>684.2</b> | <b>784.6</b> |

The face value of notes issued is EUR 660.0 million (2013: 660.0 million). The negative amount of the revolving credit facility relates cost of borrowings which are capitalized in the aggregate amount and the effective interest method is applied. Since the Revolving credit facility is undrawn as per December 31, 2014 the amount is negative.

**Current liabilities**

|                                              | Note | 2014       | 2013       |
|----------------------------------------------|------|------------|------------|
| EUR million                                  |      |            |            |
| Current portion of finance lease liabilities |      | 2.4        | 4.1        |
| Current portion of mortgage loan             |      | 3.1        | 2.9        |
|                                              |      | <b>5.5</b> | <b>7.0</b> |
| Bank overdrafts                              | 5.7  | -          | 0.5        |
|                                              |      | <b>5.5</b> | <b>7.5</b> |

The terms and conditions of the outstanding loans and notes are as follows:

|                                           | Currency | Nominal interest rate | Repay- ment | Face value 2014 | Carrying amount 2014 | Face value 2013 | Carrying amount 2013 |
|-------------------------------------------|----------|-----------------------|-------------|-----------------|----------------------|-----------------|----------------------|
| EUR million                               |          | %                     |             |                 |                      |                 |                      |
| Floating rate senior secured Notes        | EUR      | 3M EURIBOR + 4.0      | 2018        | 300.0           | 297.4                | 300.0           | 296.6                |
| Fixed rate senior secured Notes           | EUR      | 7.375                 | 2018        | 360.0           | 356.8                | 360.0           | 355.9                |
| Revolving credit facility                 | EUR      | EURIBOR + 3.0         | 2017        | -               | (1.1)                | 100.0           | 98.5                 |
| Mortgage loan                             | GBP      | 3M GBP LIBOR + 0.75   | 2036        | 38.5            | 33.4                 | 39.0            | 33.9                 |
| Finance lease liabilities                 | EUR/GBP  | Various               | Various     | 3.2             | 3.2                  | 6.7             | 6.7                  |
| <b>Total interest-bearing liabilities</b> |          |                       |             | <b>701.7</b>    | <b>689.7</b>         | <b>805.7</b>    | <b>791.6</b>         |

On May 16, 2011 the Group issued EUR 360 million in aggregate principal amount of 7.375 % senior secured notes due 2018 (the Fixed Rate Notes) and EUR 300 million in aggregate principal amount of senior secured floating rate notes due 2018 (the Floating Rate Notes and, together with the Fixed Rate Notes, the Notes). Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed at par on their maturity date, May 15, 2018. Loans are subsequently carried at amortized cost using the effective interest method.

Interest on the Fixed Rate Notes is payable semi-annually on May 15 and November 15 of each year, commencing on November 15, 2011. The Floating Rate Notes bear interest at a rate per annum, reset quarterly, equal to three-month EURIBOR plus 4.0 %. Interest on the Floating Rate Notes is payable quarterly on February 15, May 15, August 15 and November 15 of each year, commencing on August 15, 2011.

On May 16, 2011 Refresco Gerber B.V. entered into a revolving credit facility agreement (the RCF) with, among others, certain of its subsidiaries as borrowers and/or guarantors, Credit Suisse International, Deutsche Bank AG, London Branch, ABN AMRO Bank N.V., Société Générale, ING Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and Fortis Bank NV/SA, as mandated lead arrangers and original lenders, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as agent and Deutsche Bank AG, London Branch as security agent. In February 2014 ING Bank N.V. sold its part of the facility to HSBC Bank Plc. The RCF provides for borrowings up to an aggregate of EUR 150 million on a committed basis. Loans may be borrowed, repaid and borrowed at any time. The maturity date of the RCF is the sixth anniversary of the issuance of the Notes. Interest on the RCF is payable every one, three or six months at the election of the relevant borrower. The RCF bears interest at a rate per annum equal to EURIBOR plus 3.0 % (subject to the operation of a margin ratchet) plus mandatory cost (if any). The costs for maintaining the RCF are 1.2 %. The RCF is undrawn as per December 2014.

The collateral is the same for the Notes as it is for the RCF and comprises (among other things):

- Collateral over the shares of certain subsidiaries of Refresco Gerber B.V.;
- Collateral over majority of bank account receivables, receivables, moveable assets, contract receivables, insurance receivables, insurance receivables and some specific property, plant and equipment as disclosed in note 5.1.

#### Mortgage loan

The Group has a mortgage loan from HSBC Bank Plc for the production site in Bridgwater. The real estate of the production site in Bridgwater (UK) is pledged as collateral. Fixed quarterly payment of GBP 0.7 million consists of interest of 3 months GBP Libor plus 0.75% plus MLA costs and remaining part is redemption. Final repayment date of the mortgage is 2036, but with current forward interest rate the mortgage is repaid in 2028. The mortgage has been valued at fair value in the openings balance in November 11, 2013 and is valued at amortized costs afterwards.

**Finance lease liabilities**

Finance lease liabilities relate mainly to a warehouse and an office building in France and materials handling equipment in the UK. For the nominal value and cash outflow a references is made to note 3.1.2.

**5.11 Employee benefits provision**

The Group contributes to a number of defined benefit plans that provide pension benefits to employees upon retirement in the Netherlands, Germany, Italy and the UK. The amount of the benefits depends on age, salary and years of service. Furthermore, the Group has an indemnity plan in France and obligations for jubilee in the Netherlands, Germany and France.

The amounts recognized for defined benefit plans in the balance sheet are determined as follows:

**December 31, 2014**

| EUR million                                            | Pension plan<br>the Netherlands | Pension plan<br>Germany | Pension plan UK | Other      | Total         |
|--------------------------------------------------------|---------------------------------|-------------------------|-----------------|------------|---------------|
| Present value of obligation                            | 66.7                            | 25.1                    | 9.5             | -          | <b>101.3</b>  |
| Fair value of plan assets                              | (65.5)                          | (5.2)                   | (8.7)           | -          | <b>(79.4)</b> |
| <b>Deficit of funded plans</b>                         | <b>1.2</b>                      | <b>19.9</b>             | <b>0.8</b>      | <b>-</b>   | <b>21.9</b>   |
| Present value of unfunded obligations                  | -                               | 4.9                     | -               | 7.9        | 12.8          |
| <b>Present value of net obligations</b>                | <b>1.2</b>                      | <b>24.8</b>             | <b>0.8</b>      | <b>7.9</b> | <b>34.7</b>   |
| Impact of minimum funding<br>requirement/asset ceiling | -                               | -                       | -               | -          | -             |
| <b>Present value of net obligations</b>                | <b>1.2</b>                      | <b>24.8</b>             | <b>0.8</b>      | <b>7.9</b> | <b>34.7</b>   |

**December 31, 2013**

| EUR million                                            | Pension plan<br>the Netherlands | Pension plan<br>Germany | Pension plan UK | Other      | Total         |
|--------------------------------------------------------|---------------------------------|-------------------------|-----------------|------------|---------------|
| Present value of obligation                            | 47.7                            | 20.8                    | 8.0             | -          | <b>76.5</b>   |
| Fair value of plan assets                              | (41.9)                          | (5.1)                   | (7.5)           | -          | <b>(54.5)</b> |
| <b>Deficit of funded plans</b>                         | <b>5.8</b>                      | <b>15.7</b>             | <b>0.5</b>      | <b>-</b>   | <b>22.0</b>   |
| Present value of unfunded obligations                  | -                               | 4.0                     | -               | 6.5        | 10.5          |
| <b>Present value of net obligations</b>                | <b>5.8</b>                      | <b>19.7</b>             | <b>0.5</b>      | <b>6.5</b> | <b>32.5</b>   |
| Impact of minimum funding<br>requirement/asset ceiling | -                               | -                       | -               | -          | -             |
| <b>Present value of net obligations</b>                | <b>5.8</b>                      | <b>19.7</b>             | <b>0.5</b>      | <b>6.5</b> | <b>32.5</b>   |

Plan assets can be detailed as follows:

|                                    | 2014        | 2013        |
|------------------------------------|-------------|-------------|
| EUR million                        |             |             |
| Equity instruments                 | 3.2         | 3.0         |
| Debt instruments                   | 70.4        | 46.3        |
| Assets held by insurance companies | 5.2         | 5.1         |
| Cash and cash equivalents          | 0.6         | 0.1         |
|                                    | <b>79.4</b> | <b>54.5</b> |

The equity and debt instruments are plan assets with a quoted market price. The pension plan assets do not include the companies own shares or notes.

#### Movements in the present value of the defined benefit obligations and plan assets

| EUR million                                                             | Defined benefit obligation | Plan assets   | Total         | Impact of minimum funding requirement /asset ceiling | Total         |
|-------------------------------------------------------------------------|----------------------------|---------------|---------------|------------------------------------------------------|---------------|
| <b>Defined benefit obligations as at January 1</b>                      | <b>87.0</b>                | <b>(54.5)</b> | <b>32.5</b>   | <b>-</b>                                             | <b>32.5</b>   |
| Current service costs                                                   | 3.2                        | -             | <b>3.2</b>    | -                                                    | <b>3.2</b>    |
| Interest expense/(income)                                               | 3.2                        | (2.1)         | <b>1.1</b>    | -                                                    | <b>1.1</b>    |
| Past service cost and gains and losses on settlements                   | (0.9)                      | -             | <b>(0.9)</b>  | -                                                    | <b>(0.9)</b>  |
| Remeasurements of other long term benefits                              | 0.1                        | -             | <b>0.1</b>    | -                                                    | <b>0.1</b>    |
| <b>Cost recognized in income statement</b>                              | <b>5.6</b>                 | <b>(2.1)</b>  | <b>3.5</b>    | <b>-</b>                                             | <b>3.5</b>    |
| Return on plan assets                                                   | -                          | (20.0)        | <b>(20.0)</b> | -                                                    | <b>(20.0)</b> |
| (Gain)/loss from change in demographic assumptions                      | -                          | -             | -             | -                                                    | -             |
| (Gain)/loss from change in financial assumptions                        | 23.0                       | -             | <b>23.0</b>   | -                                                    | <b>23.0</b>   |
| Experience (gains)/losses                                               | 0.2                        | -             | <b>0.2</b>    | -                                                    | <b>0.2</b>    |
| Change in asset ceiling, excluding amounts included in interest expense | -                          | -             | -             | -                                                    | -             |
| <b>Total remeasurements recognized in OCI</b>                           | <b>23.2</b>                | <b>(20.0)</b> | <b>3.2</b>    | <b>-</b>                                             | <b>3.2</b>    |
| Benefits paid by the plan                                               | (1.4)                      | 1.4           | -             | -                                                    | -             |
| Benefit payments from employer                                          | (1.3)                      | 1.3           | -             | -                                                    | -             |
| Employer contributions                                                  | -                          | (4.6)         | <b>(4.6)</b>  | -                                                    | <b>(4.6)</b>  |
| Plan participants contributions                                         | 0.4                        | (0.4)         | -             | -                                                    | -             |
| Effect of movements in exchange rates                                   | 0.6                        | (0.5)         | <b>0.1</b>    | -                                                    | <b>0.1</b>    |
| Business combinations                                                   | -                          | -             | -             | -                                                    | -             |
| <b>Defined benefit obligations as at December 31</b>                    | <b>114.1</b>               | <b>(79.4)</b> | <b>34.7</b>   | <b>-</b>                                             | <b>34.7</b>   |

**December 31, 2013**

| EUR million                                                             | Defined benefit obligation | Plan assets   | Total        | Impact of minimum funding requirement / asset ceiling | Total        |
|-------------------------------------------------------------------------|----------------------------|---------------|--------------|-------------------------------------------------------|--------------|
| <b>Defined benefit obligations as at January 1</b>                      | <b>79.0</b>                | <b>(54.6)</b> | <b>24.4</b>  | <b>0.3</b>                                            | <b>24.7</b>  |
| Current service costs                                                   | 3.3                        | -             | <b>3.3</b>   | -                                                     | <b>3.3</b>   |
| Interest expense/(income)                                               | 3.1                        | (2.1)         | <b>1.0</b>   | -                                                     | <b>1.0</b>   |
| Past service cost and gains and losses on settlements                   | (1.6)                      | -             | <b>(1.6)</b> | -                                                     | <b>(1.6)</b> |
| Remeasurements of other long term benefits                              | (0.1)                      | -             | <b>(0.1)</b> | -                                                     | <b>(0.1)</b> |
| <b>Cost recognized in income statement</b>                              | <b>4.7</b>                 | <b>(2.1)</b>  | <b>2.6</b>   | <b>-</b>                                              | <b>2.6</b>   |
| Return on plan assets                                                   | -                          | 7.0           | <b>7.0</b>   | -                                                     | <b>7.0</b>   |
| (Gain)/loss from change in demographic assumptions                      | 0.2                        | -             | <b>0.2</b>   | -                                                     | <b>0.2</b>   |
| (Gain)/loss from change in financial assumptions                        | 1.9                        | -             | <b>1.9</b>   | -                                                     | <b>1.9</b>   |
| Experience (gains)/losses                                               | (0.6)                      | -             | <b>(0.6)</b> | -                                                     | <b>(0.6)</b> |
| Change in asset ceiling, excluding amounts included in interest expense | -                          | -             | -            | (0.3)                                                 | <b>(0.3)</b> |
| <b>Total remeasurements recognised in OCI</b>                           | <b>1.5</b>                 | <b>7.0</b>    | <b>8.5</b>   | <b>(0.3)</b>                                          | <b>8.2</b>   |
| Benefits paid by the plan                                               | (1.3)                      | 1.3           | -            | -                                                     | -            |
| Benefit payments from employer                                          | (1.3)                      | 1.3           | -            | -                                                     | -            |
| Employer contributions                                                  | -                          | (4.3)         | <b>(4.3)</b> | -                                                     | <b>(4.3)</b> |
| Plan participants contributions                                         | 0.3                        | (0.3)         | -            | -                                                     | -            |
| Effect of movements in exchange rates                                   | (0.2)                      | 0.4           | <b>0.2</b>   | -                                                     | <b>0.2</b>   |
| Business combinations                                                   | 4.3                        | (3.2)         | <b>1.1</b>   | -                                                     | <b>1.1</b>   |
| <b>Defined benefit obligations as at December 31</b>                    | <b>87.0</b>                | <b>(54.5)</b> | <b>32.5</b>  | <b>-</b>                                              | <b>32.5</b>  |

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately EUR 42.8 million related to active employees, EUR 35.6 million related to deferred members and EUR 35.7 million related to members in retirement.

For the year 2014 the Group applied a liability cap for a pension plan in the Benelux because the difference between the present value of the future service cost and the present value of the future maximum employer contributions is larger than the difference between the defined benefit obligation and the asset value. For this plan the defined benefit obligation is set equal to the asset value resulting in a net liability of nihil. If no liability cap was applied, the defined benefit obligation would be EUR 3.9 million higher.



## Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

|                                 | 2014 | 2013 |
|---------------------------------|------|------|
| %                               |      |      |
| Discount rate as at December 31 | 2.3  | 3.8  |
| Inflation                       | 2.0  | 2.0  |
| Salary growth rate              | 2.7  | 2.7  |
| Pension growth rate             | 0.9  | 1.0  |

The assumptions do not differ significantly over the different plans and countries. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The assumptions regarding mortality experience are based on actuarial advice and latest available published statistics and mortality tables in each territory. For the Netherlands this was AG Prognose table 2014, for Germany Heubeck 2005G, for France TF/TH 0002, for Italy RG48 and for the UK 105%S1PXA CMI 2010.

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

### December 31, 2014

|                     |                      | 2014                                                                    | 2013                                                                    |
|---------------------|----------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                     | Change in assumption | Impact on Defined benefit obligation<br>(Debit/(Credit))<br>EUR million | Impact on Defined benefit obligation<br>(Debit/(Credit))<br>EUR million |
|                     | %                    |                                                                         |                                                                         |
| Discount rate       | + 0.25               | 5.6                                                                     | 4.1                                                                     |
|                     | - 0.25               | (5.8)                                                                   | (4.2)                                                                   |
| Pension growth rate | + 0.25               | 4.4                                                                     | 3.1                                                                     |
|                     | - 0.25               | (2.5)                                                                   | (1.7)                                                                   |
| Salary growth rate  | + 0.25               | 0.7                                                                     | 0.6                                                                     |
|                     | - 0.25               | (0.8)                                                                   | (0.6)                                                                   |
| Life expectancy     | Increase by 1 year   | 3.2                                                                     | (2.1)                                                                   |
|                     | Decrease by 1 year   | (3.4)                                                                   | 2.0                                                                     |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The Group expects that contributions to the defined benefit plans will be EUR 3.5 million in 2015 (2014: EUR 4.2 million).

The weighted average duration of the defined benefit obligation is 19.2 years.

Expected maturity analysis of undiscounted pension and other defined benefits:

|                  | Less than one year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|------------------|--------------------|-----------------------|-----------------------|--------------|-------|
| EUR million      |                    |                       |                       |              |       |
| Pensions & other | 3.3                | 2.8                   | 9.9                   | 20.5         | 36.5  |

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

- **Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. However, the assets in the Netherlands have duration in line with the liabilities. The Plan in the UK holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if deficits emerge.
- **Changes in bond yields:** The Plan's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Plan holds assets such as equities the value of the assets and liabilities may not move in the same way. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. The pension plan in the Netherlands is an insured plan, but additional pension premiums have to be paid when interest rates are below certain levels.
- **Inflation risk:** Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation or inflation increases are only possible after excessive returns on assets).
- **Life expectancy:** The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.
- **The Group operates unfunded pension and jubilee plans, where the company meets the benefit payment obligation as it falls due.** Future payments depend on salary developments, changes in life expectancy and turnover rates which might result in fluctuations in cash flows.

#### Multi-employer plan

Part of the Group's employees in the Netherlands, approximately 200 employees, participate in an industry-wide multi-employer plan, "Stichting Bedrijfstakpensioenfondsvoor de Drankindustrie" (the pension fund). The pension plan classifies as a multi-employer plan under IAS 19. This multi-employer plan covers approximately 400 companies and 5000 contributing members.

The pension fund monitors its risks on an overall basis, not by company or employee, and is subject to regulation by Dutch governmental authorities. By law (the Dutch Pension Act), a multi-employer plan must be monitored against specific criteria, including the coverage ratio of the plan assets to its obligations. This coverage ratio must exceed 104.2% for the total plan. Every company participating in the multi-employer plan contributes a premium calculated as a percentage of its total pensionable salaries, with each company subject to the same percentage contribution rate. The premium can fluctuate and is set by the pension fund board in accordance with (minimum) premium requirements (Kostendekkende premie) as required by regulation. In the case of a shortfall (or surplus) the Group has no obligation to pay (or receive) any supplementary contributions other than possibly higher (lower) future premiums. The pension rights of each employee are based upon the employee's average salary during employment.

The coverage ratio of the multi-employer plan increased to 120.5% as of December 31, 2014 (December 31, 2013: 114.5%). The coverage ratio is calculated by dividing the plan assets by the total sum of pension liabilities and is based on actual market interest (including a so called Ultimate Forward Rate as required by the Dutch Central Bank). The pension premium percentage is 22.7% in 2014 (14.46% employer, 8.24% employee) and 25.7% in 2015. The multi-employer scheme is a defined benefit scheme but the Group accounts for the multi-employer plan as if it were a defined contribution plan, as the pension fund is not able to provide the Group with the required Company-specific information to allow the assets and liabilities to be separately identified. The Group's pension expense for the multi-employer plan for a fiscal period is equal to the required contribution for that period.

## 5.12 Other provisions

|                                       | Restructuring | Other      | Total 2014  | Total 2013  |
|---------------------------------------|---------------|------------|-------------|-------------|
| EUR million                           |               |            |             |             |
| <b>January 1, 2014</b>                | <b>15.5</b>   | <b>1.3</b> | <b>16.8</b> | <b>4.2</b>  |
| Provisions made during the year       | 5.9           | 9.7        | 15.6        | 14.0        |
| Provisions used during the year       | (9.5)         | (2.7)      | (12.2)      | (5.4)       |
| Provisions reversed during the year   | (1.4)         | (0.6)      | (2.0)       | (0.3)       |
| Business combinations                 | -             | -          | -           | 4.2         |
| Effect of movements in exchange rates | 0.6           | -          | 0.6         | 0.1         |
| <b>December 31, 2014</b>              | <b>11.1</b>   | <b>7.7</b> | <b>18.8</b> | <b>16.8</b> |
| Non-current                           | -             | 2.1        | 2.1         | 4.2         |
| Current                               | 11.1          | 5.6        | 16.7        | 12.6        |

### Restructuring

The provision for restructuring relates to the Calvörde plant, the closure of the St. Andrea plant, the closure of Heerlen plant and several local head offices after the merger. There are no significant uncertainties about the amount or timing of outflow of resources.

### Other provisions

Other provisions include provisions for the Gerber merger, removal of asbestos in Italy and unfavorable contracts recognized in the purchase price allocation. The non-current part will be utilized within five years.

## 5.13 Trade and other payables

|                                              |              | 2014         | 2013         |
|----------------------------------------------|--------------|--------------|--------------|
| EUR million                                  |              |              |              |
|                                              | <b>Note</b>  |              |              |
| Trade accounts payable                       |              | 305.0        | 289.2        |
| Other taxes and social security premiums     |              | 31.8         | 30.3         |
| Other payables, accruals and deferred income |              | 161.2        | 108.0        |
|                                              | <b>3.1.2</b> | <b>498.0</b> | <b>427.5</b> |

The exposure to foreign currency and liquidity risks on trade and other payables is disclosed in note 3.1.2. and 3.1.3.

## 6 SUPPLEMENTARY NOTES

### 6.1 Purchase Price Allocation

On November 11, 2013 the Group merged with Pride Foods Ltd (“Gerber Emig”). Gerber Emig is a private label manufacturer of fruit juices and carbonated soft drinks and water and has manufacturing sites in Koźmierz (Poland), Le Quesnoy (France), Bridgwater (UK), Waibstadt and Calverde (Germany). Gerber Emig shareholders own 27.5% of the shares in the new Group and Refresco shareholders own 72.5%.

The results of Gerber Emig were consolidated in the results of Refresco Gerber B.V. as of November 12, 2013. Gerber Emig contributed EUR 73.4 million of revenue and EUR 1.3 million of net loss during the period November 12, 2013 to December 31, 2013. The Waibstadt manufacturing site and the related finance lease liabilities were at December 31, 2013 classified as held for sale, due to the conditions by the competition authorities, and were sold on July 31, 2014.

The values of assets, liabilities, and contingent liabilities recognized on acquisition are their estimated fair values. The fair value of inventory has been determined based on latest sales prices and resulted in a step up of EUR 5.0 million which has been released in the result in 2013 in the raw materials and consumables used.

The fair value of trade and other receivables is EUR 111.3 million and includes trade receivables with a fair value of EUR 103.5 million. The gross contractual amount for trade receivables due is EUR 104.9 million, of which EUR 1.4 million was expected to be uncollectible. The long term debt mainly consists of a mortgage loan which is valued at fair value in the purchase price allocation process. The fair value is based on discounted cash flow method, taking into account a credit spread of 300bp. The credit spread is based on a reference portfolio. Redemption is based on the assumption that the Libor rate will equal current rate in remaining years. The fair value adjustment on the mortgage loan is EUR 4.3 million and will be recognized in result based on effective interest rate method.

Had the business combination occurred on January 1, 2013 revenue and net loss for the 12-month period ended December 31, 2013 would have amounted to EUR 725.1 million and EUR 0.2 million, respectively. The revenue of 2013 exclusive the Waibstadt sales amounts to EUR 561.0 million.

In the financial year 2014 we recognized a goodwill adjustment for an amount of EUR 7.4 million as a result of the finalization of the purchase price allocation relating to the Gerber Emig merger. The amount is for EUR 1.4 million related to an inventory adjustment in Emig GmbH in Germany and for EUR 6.0 million to an adjustment of deferred tax asset for temporary differences on property, plant and equipment in Emig GmbH in Germany as disclosed in note 5.4. The goodwill adjustment recorded regards 90% of the total asset adjustment, being the share of the Group in Emig GmbH.

These adjustments did not have a material impact on the 2013 figures and as a results the comparative figures have not been adjusted.

### 6.2 Commitments and contingent liabilities

#### Operating lease and rental obligations

|                            | 2014         | 2013         |
|----------------------------|--------------|--------------|
| EUR million                |              |              |
| Less than one year         | 32.4         | 31.6         |
| Between one and five years | 69.2         | 60.3         |
| More than five years       | 10.9         | 12.5         |
|                            | <b>112.5</b> | <b>104.4</b> |

The Group leases office buildings, warehouses, machinery and equipment and cars. The lease arrangements do not contain any contingent rent or any restrictions related to other financing activities of the Group. During 2014, EUR 32.8 million was recognized as expense in the income statement in respect of operating leases and rentals (2013: EUR 26.5 million).

#### Purchase and investment commitments

| EUR million                            | Total 2014   | Less than one year | One to five years | More than five years | Total 2013   |
|----------------------------------------|--------------|--------------------|-------------------|----------------------|--------------|
| Property, plant and equipment          | 11.2         | 11.2               | -                 | -                    | 8.4          |
| Raw materials, packaging and utilities | 293.4        | 293.4              | -                 | -                    | 347.7        |
|                                        | <b>304.6</b> | <b>304.6</b>       | <b>-</b>          | <b>-</b>             | <b>356.1</b> |

#### Contingent liabilities

Banks have issued guarantees to suppliers and customs on behalf of the Group in the aggregate amount of EUR 4.4 million (2013: EUR 5.4 million).

The Group has several facilities for issuing letters of credit and local overdraft facilities for cash pool purposes.

The Company forms a fiscal unity for income tax purposes with Refresco B.V., Refresco Holding B.V., Refresco Benelux B.V., and Soft Drink International B.V. The Company also forms a fiscal unity for VAT purposes with Refresco Holding B.V. and Refresco B.V. In accordance with the standard conditions, the Company and the subsidiaries that are part of the fiscal unity are jointly and individually liable for taxation payable by the fiscal unity.

A limited number of claims have been filed against the Company and Group companies, which the Company disputes. Although the outcome of these disputes cannot be predicted with any certainty, it is assumed – partly on the basis of legal advice – that these will not have any significant impact on the Company's financial position.

#### 6.3 Related parties

##### Shareholder structure

The Company's shareholders are Ferskur Holding 1 B.V., 3i Investors 1 Sarl, 3i Investors 2 Sarl, Okil Holding B.V., Godetia II B.V. and Tamoia Ltd. The ultimate shareholders of Ferskur Holding 1 B.V. are Kaupthing HF, Stodir HF and EAB1 Ehf.

##### Identification of related parties

The subsidiaries included in note 3.2 of the Company financial statements and above mentioned shareholders are considered to be related parties. Other identified related parties are: Okil Holding GmbH, Refresco KG, Menken Dairy Foods Nederland B.V., and members of management of the Group and subsidiaries. The transactions with these related parties relate primarily to the shareholding and debt financing of the Group.

##### Personnel compensation and transactions with Executive and Supervisory Board Members

###### Executive Board personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to members of the Executive Board (the key management,) and contributes to a post-employment defined benefit plan on their behalf.

In accordance with the terms of the plan, members of the Executive Board retire at age 67.

Compensation of the Executive Board members comprised the following:

| EUR million                  | 2014       | 2013       |
|------------------------------|------------|------------|
| Short-term employee benefits | 3.0        | 2.6        |
| Post-employment benefits     | 0.2        | 0.2        |
|                              | <b>3.2</b> | <b>2.8</b> |

The short-term employee benefits include in 2013 an amount of EUR 0.2 million related to an additional wage tax in the Netherlands, the crisis levy.

The remuneration for Supervisory Board members was EUR 0.5 million (2013: EUR 0.4 million).

*Transactions with key management and directors*

The Executive Board members of the Group, the key management, held (either directly or indirectly) 4.9% of the Company's ordinary shares and 5.3% of the shares of Emig GmbH as a result of the non-controlling interest. None of the members of the Supervisory Board held any shares of the Company.

The Group granted Raven Management B.V, the entity of the Executive Board, an unsecured revolving credit facility of EUR 2.2 million at arm's length conditions. The loan has no fixed repayment term but is fully repayable inclusive interest on exit. The loan bears an interest of 3 months Euribor plus 300bp, which is added to the facility.

*Transactions with related parties*

|                                                     | Transaction value |              | Balance outstanding dec-31 |            |
|-----------------------------------------------------|-------------------|--------------|----------------------------|------------|
|                                                     | 2014              | 2013         | 2014                       | 2013       |
| EUR million                                         |                   |              |                            |            |
| <b>Increase of shareholders' equity / financing</b> |                   |              |                            |            |
| Tamoa Ltd.                                          | -                 | 182.5        | -                          | -          |
| Executive Board                                     | 0.1               | 2.1          | 2.2                        | 2.1        |
| 3i                                                  | -                 | -            | (0.7)                      | (0.7)      |
| Okil Holding B.V.                                   | -                 | 0.4          | 0.4                        | 0.4        |
| <b>Total</b>                                        | <b>0.1</b>        | <b>185.0</b> | <b>1.9</b>                 | <b>1.8</b> |
| <b>Management Fees (charged)</b>                    |                   |              |                            |            |
| Ferskur Holding 1 B.V.                              | 0.3               | 0.5          | -                          | -          |
| 3i                                                  | 0.3               | 0.1          | -                          | -          |
| Tamoa Ltd.                                          | 0.1               | -            | -                          | -          |
| <b>Total</b>                                        | <b>0.7</b>        | <b>0.6</b>   | <b>-</b>                   | <b>-</b>   |

The receivable on Okil Holding B.V. (EUR 0.4 million) should be repaid anytime but latest in 2016. Interest charged is 3 months Euribor plus 300bp and will be added to the loan.

Transactions underlying outstanding balances with these related parties are priced on an arm's length basis and the balances are to be settled in cash within six months of the reporting date. None of the balances is secured.

**6.4 Group entities**

The overview of the entities of the Group is included in note 3.2 to the Company financial statements.

**6.5 Subsequent events**

On February 2, 2015 Refresco Gerber sold the assets of the Durham plant in the UK for an amount of GBP 1.9 million. The assets are recognized as Asset held for sale as per December 31, 2014 for the carrying amount of EUR 1.9 million.

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## Other Information

### **PROVISIONS IN THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF RESULT**

None of the class A2 ordinary shares and none of the class B1 ordinary shares shall have any rights to participate in any dividends or distributions of any kind. Out of the profits earned in a financial year, in so far as possible, a preferred dividend shall accrue on each A1A and A1B ordinary shares respectively in the amount of 10% per annum on the total amounts invested on such shares, and the holders thereof are also entitled to a preferred distribution in case of liquidation out of the balance remaining following payment of the debts of the dissolved company. Any residual balance will be distributed to holders of the ordinary shares. Both the Company and the shareholders have agreed in the Articles of Association that any distribution of dividend is discretionary to the Company and requires the prior approval of the General Meeting of Shareholders.

### **PROPOSAL FOR APPROPRIATION OF RESULT**

The Executive Board proposes to add the profit to the other reserves as retained earnings. This proposal has not yet been reflected in the financial statements.

### **SUBSEQUENT EVENTS**

On February 2, 2015 Refresco Gerber sold the assets of the Durham plant in the UK for an amount of GBP 1.9 million. The assets are recognized as Asset held for sale as per December 31, 2014 for the carrying amount of EUR 1.9 million.



# Independent auditor's report

*To: the General Meeting of Shareholders of Refresco Gerber B.V.*

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2014 of Refresco Gerber B.V., Rotterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2014, the consolidated income statement, the consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2014, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board Report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore the management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

### Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Refresco Gerber B.V. as at 31 December 2014 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

### Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Refresco Gerber B.V. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Executive Board Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Executive Board Report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 19 February 2015

Ernst & Young Accountants LLP

signed by M. Bangma-Tjaden

# **Financial Review 2013**



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# Consolidated income statement

For the year ended December 31

|                                                              |             | 2013           | 2012           |
|--------------------------------------------------------------|-------------|----------------|----------------|
| <i>EUR million</i>                                           |             |                | Restated       |
|                                                              | <b>Note</b> |                |                |
| <b>Revenue</b>                                               | <b>4.1</b>  | <b>1,587.6</b> | <b>1,538.3</b> |
| Other income                                                 | 4.2         | 0.3            | 0.5            |
| Raw materials and consumables used                           | 4.3         | (971.8)        | (959.0)        |
| Employee benefits expense                                    | 4.4         | (173.9)        | (150.3)        |
| Depreciation, Amortization and impairments                   | 4.5         | (86.3)         | (73.4)         |
| Other operating expenses                                     | 4.6         | (331.5)        | (319.9)        |
| <b>Operating profit</b>                                      |             | <b>24.4</b>    | <b>36.2</b>    |
| Finance income                                               | 4.7         | 0.3            | 0.6            |
| Finance expense                                              | 4.7         | (45.9)         | (48.4)         |
| <b>Net finance costs</b>                                     |             | <b>(45.6)</b>  | <b>(47.8)</b>  |
| <b>Profit / (loss) before income tax</b>                     |             | <b>(21.2)</b>  | <b>(11.6)</b>  |
| Income tax (expense) / benefit                               | 4.8         | (7.6)          | (5.8)          |
| <b>Profit/(loss) for the year from continuing operations</b> |             | <b>(28.8)</b>  | <b>(17.4)</b>  |
| Profit/(loss) for the year from discontinued operations      | 5.8         | (0.1)          | -              |
| <b>Profit/(loss) for the year</b>                            |             | <b>(28.9)</b>  | <b>(17.4)</b>  |
| <b>Profit/(loss) attributable to:</b>                        |             |                |                |
| Owners of the Company                                        |             | (28.4)         | (17.4)         |
| Non-controlling interest                                     |             | (0.5)          | -              |

The 2012 figures have been restated to reflect the change in accounting principle for IAS 19 Revised. The notes on page 65 to page 124 are an integral part of these consolidated financial statements.

# Consolidated statement of comprehensive income

For the year ended December 31

|                                                                                    |             | 2013          | 2012          |
|------------------------------------------------------------------------------------|-------------|---------------|---------------|
| <i>EUR million</i>                                                                 |             |               | Restated      |
|                                                                                    | <b>Note</b> |               |               |
| <b>Profit/(loss)</b>                                                               |             | <b>(28.9)</b> | <b>(17.4)</b> |
| <b>Items that will not be reclassified to profit or loss</b>                       |             |               |               |
| Remeasurements of post employment benefit obligations                              | 5.11        | (8.2)         | (3.8)         |
| Income tax (expenses) / benefits                                                   |             | 2.1           | 0.9           |
| <b>Total</b>                                                                       |             | <b>(6.1)</b>  | <b>(2.9)</b>  |
| <b>Items that may be subsequently reclassified to profit or loss</b>               |             |               |               |
| Cashflow hedges                                                                    | 5.9         | 3.4           | (8.5)         |
| Foreign currency translation differences for foreign operations                    | 5.9         | (1.2)         | 4.1           |
| Income tax (expenses)/benefits                                                     |             | (0.6)         | 1.8           |
| <b>Total</b>                                                                       |             | <b>1.6</b>    | <b>(2.6)</b>  |
| <b>Comprehensive income/(loss)</b>                                                 |             | <b>(4.5)</b>  | <b>(5.5)</b>  |
| <b>Total comprehensive income/(loss)</b>                                           |             | <b>(33.4)</b> | <b>(22.9)</b> |
| <b>Attributable to:</b>                                                            |             |               |               |
| Owners of the Company                                                              |             | (32.9)        | (22.9)        |
| Non-controlling interest                                                           |             | (0.5)         | -             |
| <b>Total comprehensive income/(loss)</b>                                           |             | <b>(33.4)</b> | <b>(22.9)</b> |
| Total comprehensive income/(loss) attributable to equity shareholders arises from: |             |               |               |
| - Continuing operations                                                            |             | (33.3)        | (22.9)        |
| - Discontinued operations                                                          |             | (0.1)         | -             |
| <b>Total</b>                                                                       |             | <b>(33.4)</b> | <b>(22.9)</b> |

The 2012 figures have been restated to reflect the change in accounting principle for IAS 19 Revised.  
The notes on page 65 to page 124 are an integral part of these consolidated financial statements.

# Consolidated balance sheet

As at December 31

|                                      |             | 2013           | 2012           | January 1,2012 |
|--------------------------------------|-------------|----------------|----------------|----------------|
| <i>EUR million</i>                   | <b>Note</b> |                | Restated       | Restated       |
| <b>Assets</b>                        |             |                |                |                |
| Property, plant and equipment        | 5.1         | 525.4          | 391.4          | 412.0          |
| Intangible fixed assets              | 5.2         | 422.8          | 298.2          | 301.0          |
| Other investments                    | 5.3         | 5.9            | 3.9            | 1.3            |
| Deferred income tax                  | 5.4         | 9.5            | 11.1           | 10.7           |
| <b>Total non-current assets</b>      |             | <b>963.6</b>   | <b>704.6</b>   | <b>725.0</b>   |
| Inventories                          | 5.5         | 214.2          | 149.7          | 151.7          |
| Derivative financial instruments     | 5.3         | 0.2            | 0.3            | 8.2            |
| Current income tax receivable        |             | 0.9            | 0.9            | 0.5            |
| Trade and other receivables          | 5.6         | 350.2          | 255.5          | 285.7          |
| Cash and cash equivalents            | 5.7         | 86.1           | 95.3           | 89.6           |
| Assets classified as held for sale   | 5.8         | 6.7            | -              | 2.6            |
| <b>Total current assets</b>          |             | <b>658.3</b>   | <b>501.7</b>   | <b>538.3</b>   |
| <b>Total assets</b>                  |             | <b>1,621.9</b> | <b>1,206.3</b> | <b>1,263.3</b> |
| <b>Equity</b>                        |             |                |                |                |
| Issued share capital                 |             | 5.9            | 4.3            | 4.3            |
| Share premium                        |             | 440.7          | 259.8          | 259.8          |
| Other reserves                       |             | (14.5)         | (10.0)         | (4.5)          |
| Retained earnings                    |             | (89.4)         | (72.0)         | (46.1)         |
| Result for the year                  |             | (28.4)         | (17.4)         | (25.9)         |
| <b>Total</b>                         |             | <b>314.3</b>   | <b>164.7</b>   | <b>187.6</b>   |
| Non controlling interest             |             | 3.6            | -              | -              |
| <b>Total equity</b>                  | <b>5.9</b>  | <b>317.9</b>   | <b>164.7</b>   | <b>187.6</b>   |
| <b>Liabilities</b>                   |             |                |                |                |
| Loans and borrowings                 | 5.10        | 784.6          | 655.5          | 656.7          |
| Derivative financial instruments     | 3.1.3       | 10.6           | 10.9           | 12.2           |
| Employee benefits provisions         | 5.11        | 32.5           | 24.7           | 21.1           |
| Other provisions                     | 5.12        | 4.2            | 1.6            | 1.8            |
| Deferred income tax                  | 5.4         | 15.8           | 15.8           | 25.8           |
| <b>Total non-current liabilities</b> |             | <b>847.7</b>   | <b>708.5</b>   | <b>717.6</b>   |
| Loans and borrowings                 | 5.10        | 7.6            | 2.8            | 2.7            |
| Derivative financial instruments     | 5.3         | 4.5            | 1.3            | -              |
| Trade and other payables             | 5.13        | 427.4          | 320.4          | 352.1          |
| Current income tax payable           |             | 2.1            | 5.9            | 1.7            |
| Provisions                           | 5.11/5.12   | 12.6           | 2.7            | 1.6            |
| Liabilities held for sale            | 5.8         | 2.1            | -              | -              |
| <b>Total current liabilities</b>     |             | <b>456.3</b>   | <b>333.1</b>   | <b>358.1</b>   |
| <b>Total liabilities</b>             |             | <b>1,304.0</b> | <b>1,041.6</b> | <b>1,075.7</b> |
| <b>Total equity and liabilities</b>  |             | <b>1,621.9</b> | <b>1,206.3</b> | <b>1,263.3</b> |

The 2012 figures have been restated to reflect the change in accounting principle for IAS 19 Revised. The notes on page 65 to page 124 are an integral part of these consolidated financial statements.



# Consolidated statement of changes in equity

| <i>EUR million</i>                                                  | Issued share capital | Share premium | Other reserves | Retained earnings | Result for the year | Total         | Non controlling interest | Total equity  |
|---------------------------------------------------------------------|----------------------|---------------|----------------|-------------------|---------------------|---------------|--------------------------|---------------|
| <b>Balance as at January 1, 2012</b>                                | <b>4.3</b>           | <b>259.8</b>  | <b>(3.3)</b>   | <b>(46.1)</b>     | <b>(25.9)</b>       | <b>188.8</b>  | <b>-</b>                 | <b>188.8</b>  |
| Change of accounting principles IAS 19 R                            | -                    | -             | (1.2)          | -                 | -                   | (1.2)         | -                        | (1.2)         |
| <b>Restated balance as at January 1, 2012</b>                       | <b>4.3</b>           | <b>259.8</b>  | <b>(4.5)</b>   | <b>(46.1)</b>     | <b>(25.9)</b>       | <b>187.6</b>  | <b>-</b>                 | <b>187.6</b>  |
| Other comprehensive income/(loss)                                   | -                    | -             | (5.5)          | -                 | -                   | (5.5)         | -                        | (5.5)         |
| Profit/(loss)                                                       | -                    | -             | -              | -                 | (17.4)              | (17.4)        | -                        | (17.4)        |
| <b>Total comprehensive income</b>                                   | <b>-</b>             | <b>-</b>      | <b>(5.5)</b>   | <b>-</b>          | <b>(17.4)</b>       | <b>(22.9)</b> | <b>-</b>                 | <b>(22.9)</b> |
| Appropriation of result                                             | -                    | -             | -              | (25.9)            | 25.9                | -             | -                        | -             |
| <b>December 31, 2012</b>                                            | <b>4.3</b>           | <b>259.8</b>  | <b>(10.0)</b>  | <b>(72.0)</b>     | <b>(17.4)</b>       | <b>164.7</b>  | <b>-</b>                 | <b>164.7</b>  |
|                                                                     |                      |               |                |                   |                     |               |                          | -             |
| <b>Balance as at January 1, 2013</b>                                | <b>4.3</b>           | <b>259.8</b>  | <b>(10.0)</b>  | <b>(72.0)</b>     | <b>(17.4)</b>       | <b>164.7</b>  | <b>-</b>                 | <b>164.7</b>  |
| Other comprehensive income/(loss)                                   | -                    | -             | (4.5)          | -                 | -                   | (4.5)         | -                        | (4.5)         |
| Profit/(loss)                                                       | -                    | -             | -              | -                 | (28.4)              | (28.4)        | (0.5)                    | (28.9)        |
| <b>Total comprehensive income/(loss)</b>                            | <b>-</b>             | <b>-</b>      | <b>(4.5)</b>   | <b>-</b>          | <b>(28.4)</b>       | <b>(32.9)</b> | <b>(0.5)</b>             | <b>(33.4)</b> |
| Appropriation of result                                             | -                    | -             |                | (17.4)            | 17.4                | -             | -                        | -             |
| Non controlling interest arising on business combinations           | -                    | -             | -              | -                 | -                   | -             | 4.1                      | 4.1           |
| Share capital issued                                                | 1.6                  | 180.9         | -              | -                 | -                   | 182.5         | -                        | 182.5         |
| <b>Total transactions with owners recognized directly in equity</b> | <b>1.6</b>           | <b>180.9</b>  | <b>-</b>       | <b>-</b>          | <b>-</b>            | <b>182.5</b>  | <b>4.1</b>               | <b>186.6</b>  |
| <b>December 31, 2013</b>                                            | <b>5.9</b>           | <b>440.7</b>  | <b>(14.5)</b>  | <b>(89.4)</b>     | <b>(28.4)</b>       | <b>314.3</b>  | <b>3.6</b>               | <b>317.9</b>  |

For notes on equity a reference is made to 5.9.

The 2012 figures have been restated to reflect the change in accounting principle for IAS 19 Revised.

The notes on page 65 to page 124 are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

For the year ended December 31

|                                                                                                           |             | 2013           | 2012          |
|-----------------------------------------------------------------------------------------------------------|-------------|----------------|---------------|
| <i>EUR million</i>                                                                                        | <b>Note</b> |                | Restated      |
| <b>Cash flows from operating activities</b>                                                               |             |                |               |
| <b>Profit/(loss) after tax including discontinued operations</b>                                          |             | <b>(28.9)</b>  | <b>(17.4)</b> |
| <b>Adjustments for:</b>                                                                                   |             |                |               |
| Amortization, depreciation and impairments                                                                | 5.1/5.2     | 86.3           | 73.4          |
| Net change in fair value derivative financial instruments recognized in profit and loss and premiums paid | 4.3         | 2.7            | (0.5)         |
| Net finance costs                                                                                         | 4.7         | 45.6           | 47.8          |
| (Gain) / loss on sale of property, plant and equipment                                                    | 4.2         | (0.3)          | (0.4)         |
| Income tax expense / (benefit)                                                                            | 4.8         | 7.6            | 5.8           |
| <b>Cash flows from operating activities before changes in working capital and provisions</b>              |             | <b>113.0</b>   | <b>108.7</b>  |
| <b>Change in:</b>                                                                                         |             |                |               |
| Inventories                                                                                               | 5.5         | 4.2            | 3.4           |
| Trade and other receivables                                                                               | 5.6         | 16.4           | 29.6          |
| Trade and other payables                                                                                  | 5.13        | (7.5)          | (32.9)        |
| <b>Total change in working capital</b>                                                                    |             | <b>13.1</b>    | <b>0.1</b>    |
| Interest received                                                                                         |             | 0.3            | 0.5           |
| Interest paid                                                                                             |             | (46.8)         | (50.6)        |
| Income taxes paid                                                                                         |             | (16.4)         | (9.9)         |
| Change in provisions                                                                                      | 5.11/5.12   | 6.9            | 0.8           |
| <b>Net cash generated from operating activities</b>                                                       |             | <b>70.1</b>    | <b>49.6</b>   |
| <b>Cash flows from investing and acquisition activities</b>                                               |             |                |               |
| Proceeds from sale of property, plant and equipment                                                       | 5.1         | 0.7            | 5.9           |
| Purchase of property, plant and equipment                                                                 | 5.1         | (47.3)         | (42.9)        |
| Purchase of intangible assets                                                                             | 5.2         | (0.4)          | (0.6)         |
| Purchase / sale of other investments                                                                      | 5.3         | 0.5            | (0.2)         |
| Acquisition of subsidiary, net of cash acquired                                                           | 5.1         | (126.0)        | (6.0)         |
| Loans granted outside the group                                                                           | 5.3         | (2.1)          | -             |
| <b>Net cash used in investing and acquisition activities</b>                                              |             | <b>(174.6)</b> | <b>(43.8)</b> |
| <b>Cash flows from financing activities</b>                                                               |             |                |               |
| Proceeds from loans and borrowings                                                                        | 5.10        | 98.9           | -             |
| Repayment of loans and borrowings                                                                         | 5.10        | (3.4)          | (2.8)         |
| <b>Net cash (used in) / from financing activities</b>                                                     |             | <b>95.5</b>    | <b>(2.8)</b>  |
| Translation adjustment                                                                                    |             | (0.8)          | 2.7           |
| <b>Movement in cash and cash equivalents</b>                                                              |             | <b>(9.8)</b>   | <b>5.7</b>    |
| Cash and cash equivalents as at January 1                                                                 | 5.7         | 95.3           | 89.6          |
| Cash and cash equivalents as at December 31                                                               | 5.7         | 85.5           | 95.3          |

The 2012 figures have been restated to reflect the change in accounting principle for IAS 19 Revised.  
The cashflow from discontinued operations is not material to show separately in the cashflow statement.  
The notes on page 65 to page 124 are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

## 1 General

### 1.1 Reporting entity

The consolidated financial statements of Refresco Gerber B.V. ('Refresco Gerber', the 'Group' or the 'Company') as at and for the year ended December 31, 2013 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The companies in note 3.1 of the company only financial statements have all been included in the consolidated financial statements.

Refresco Gerber B.V. (a private company with limited liability) is domiciled in the Netherlands, with its registered office at Fascinatio Boulevard 270, 3065 WB Rotterdam. The company is formerly known as Refresco Group B.V. and changed the name as of November 11, 2013 after the merger ('business combination') with Pride Foods Ltd ('Gerber Emig'). Gerber Emig is a fruit juice and soft drink producer with production facilities in the UK, Poland, France and Germany.

On November 11, 2013 Refresco merged with Gerber Emig by the issuance of new shares. 10% shareholding in EMIG GmbH stayed outside the Group and is treated as non-controlling interest. The financial result of Gerber Emig has been included in the consolidated financial statements as of November 12, 2013. Details of the business combination are included in note 6.1.

The activities of the Group consist of the manufacturing of fruit juices and soft drinks for retailers and branded customers. Sales and production are made both domestically and abroad, the European Union being the most important market. Refresco Group issued senior secured notes on May 16, 2011. The notes are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market.

The comparative figures have been restated to reflect the change of accounting principle related to IAS 19 revised as of January 1, 2013. More details are explained in note 2.21.

### 1.2 Basis of preparation

#### **Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared on the historical cost convention except for derivative financial instruments which are measured at fair value.

The consolidated financial statements were authorized for issue by the Supervisory Board on March 20, 2014 and were adopted by the Annual General Meeting of Shareholders on April 14, 2014.

The Company financial statements are part of the 2013 financial statements of Refresco Gerber B.V. With reference to the Company income statement, use has been made of the exemption pursuant to Section 402 of Book 2 of the Dutch Civil Code.

#### **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros, which is the Group's presentation currency. All financial information presented in Euros has been rounded to the nearest million with one decimal, unless stated otherwise.

## 2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

### 2.1 Basis of consolidation

#### ***Subsidiaries***

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to benefit from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

#### ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### 2.2 Foreign currency

#### ***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which equals the presentation currency, which is the Euro.

#### ***Transactions and balances in foreign currency***

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss, except for differences arising on financial liabilities designated as a hedge of the net investment in a foreign operation, which are recognized in the foreign currency translation reserve.

#### ***Foreign operations***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euros at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into Euros at the exchange rates at the dates of the transactions (or at an average rate if this is not an unreasonable approximation).

Foreign currency differences arising thereon are recognized, in comprehensive income, in the foreign currency translation reserve. When a foreign operation is disposed of, either in part or in full, the associated cumulative amount in the foreign currency translation reserve is transferred to profit or loss as an adjustment to the profit or loss on disposal.

Foreign exchange gains and losses arising on a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in comprehensive income in the foreign currency translation reserve.

## 2.3 Financial instruments

### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances, checks in transit and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the cash management processes are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

The accounting for finance income and expense is described in note 2.19.

### ***Derivative financial instruments and hedging activities***

The Group holds derivative financial instruments (interest rate swaps, commodity hedges, forward exchange contracts and currency options) to hedge its foreign currency, commodity and interest rate risk exposures. The Group seeks to apply hedge accounting in order to minimize the effects of fluctuations of foreign currencies and interest rates in the profit or loss.

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group applies cash flow hedge accounting.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges is recognized in comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement immediately.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued and the cumulative unrealized gain or loss previously recognized in comprehensive income and presented in the hedging reserve in equity, is recognized in profit or loss immediately, or when a hedging instrument is terminated, but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in comprehensive income and is recognized in accordance with the above-mentioned policy when the transaction occurs. When the hedged item is a non-financial asset, the amount recognized in comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in comprehensive income is transferred to the same line of profit or loss in the same period that the hedged item affects profit or loss.

Where the financial instruments are held to hedge foreign currency purchases of raw materials and consumables, the changes are included in raw materials and consumables used. Where the instruments are held to hedge interest rate risk exposure, the changes are included in finance income and expense.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 3.1.3. Movements of the hedging reserve in comprehensive income are shown in note 5.9. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

### ***Offsetting financial instruments***

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the balance sheet date.

**2.4 Share capital****Ordinary share capital**

Ordinary A, A1A, A1B, A2, B and B1 share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**Preference share capital**

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary for the Company. Dividends thereon are recognized as distributions within equity upon approval by the General Meeting of Shareholders.

**2.5 Non-controlling interest**

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

Subsequently the allocation of profits between the parent and non-controlling interest are based on the indirect method, whereby the amount allocated to non-controlling interest represents their net effective interest in the subsidiary.

**2.6 Property, plant and equipment****Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a condition suitable for their intended use, and the costs of dismantling and removing the items and restoring of the site on which they are located. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are allocated to the assets when incurred.

When elements of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds of disposal with the carrying amount and are recognized on a net basis in other income in profit or loss.

**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 carrying amount of the replaced part is derecognized. The costs of the day-to-day maintenance of property, plant and equipment are recognized in profit or loss as incurred.

**Depreciation**

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each element of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings : 25 years
- Machinery and equipment : 5-10 years
- Other fixed assets : 3-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**2.7 Intangible assets****Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

#### ***Other intangibles***

Software acquired by the Group is measured at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only to the extent that it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred. Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives, generally 3 years.

Brands acquired, separately or as part of a business combination, are capitalized if they meet the definition of an intangible asset and the recognition criteria are satisfied. Brands acquired as part of a business combination are valued at fair value based on the relief from royalty method. Brands are amortized on an individual basis over the estimated useful life of the brand.

Customer and sales channel-related and contract-based intangibles are capitalized if they meet the definition of an intangible asset and the recognition criteria are satisfied. The relationship between brands and customer and sales channel-related intangibles is carefully considered so that brands and customer and sales channel-related intangibles are not both recognized on the basis of the same cash flows. Customer and sales channel-related and contract-based intangibles acquired as part of a business combination are valued at fair value and amortized over the period of the contractual arrangements or the remaining useful life of the customer relationships.

## **2.8 Leased assets**

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

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The main estimates and assumptions relate to residual values, applicable interest rates, and economic lifetime of the assets and determination of the minimum lease payments. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Other leases are operating leases and are not recognized on the balance sheet and disclosed in note 6.2.

## **2.9 Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out method, and includes expenditure incurred in acquiring the inventories, production and conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of finished goods and work in progress includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.



## 2.10 Impairment

### **Financial assets**

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset that can be reliably estimated.

Impairment losses in respect of financial assets measured at amortized cost are calculated as the difference between the carrying amounts and present values of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is measured by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and for debt instruments measured in the available for sale category the reversal is recognized in profit or loss.

### **Non-financial assets**

The carrying amounts of non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets (the "cash-generating units").

For the purpose of impairment testing, the goodwill acquired in a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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 amortization, if no impairment loss had been recognized.

## 2.11 Assets classified as held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Immediately before classification as held for sale, the assets are re-measured in accordance with the accounting policies of the Group. Thereafter the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

## 2.12 Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

#### **Defined contribution plans**

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **Defined benefit plans**

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income.

#### **Multi-employer plans**

The Group also facilitates multi-employer plans, in which various employers contribute to one central pension union. In accordance with IAS 19R, as the pension union managing

the plan is not able to provide the Group with sufficient information to enable the Group to account for the plan as a defined benefit plan, the Group accounts for its multi-employer defined benefit plan as if it were a defined contribution plan.

#### **Other long-term employee benefits**

The net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the obligations of the Group. The calculation is performed using the projected unit credit method. Actuarial gains or losses are recognized in profit or loss in the period in which they arise.

#### **Termination benefits**

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

#### **Short-term benefits**

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

### **2.13 Provisions**

A provision is recognized if, as a result of a past event, the Group has a legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### ***Restructuring***

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been publicly announced. Future operating costs are not provided for.

## **2.14 Borrowings**

### ***Borrowings***

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

### ***Borrowing costs***

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## **2.15 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## **2.16 Revenue**

### ***Products sold***

Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns, 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, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

### ***Contract manufacturing***

Contract manufacturing consists of the provision of manufacturing services and sale of the resultant product. The nature and the risk profile of the contract with the customer are key in determining whether the Group is providing a manufacturing service or is selling a product. The revenue is recognized solely for the activities, ingredients and materials for which the group is the principal and has the risk and rewards.

## **2.17 Government grants**

Government grants are recognized at their fair value when it is reasonably assured that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants relating to property, plant and equipment are deducted from the carrying amount of the asset. Government grants relating to period costs are deferred and recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

## **2.18 Lease payments**

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized, 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 of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are expensed as occurred.

## 2.19 Finance income and expense

Finance income comprises interest income on bank deposits and fair value gains and losses on hedging instruments that are recognized in profit or loss. Interest income is recognized in profit or loss as it accrues, using the effective interest method. Finance expense comprises interest expense on borrowings including derivative financial instruments, the unwinding of discount on provisions and fair value losses on interest hedging instruments that are recognized in profit or loss.

## 2.20 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in equity or comprehensive income in which case the income tax expense is also recognized in equity or comprehensive income.

Current tax is the income tax expected to be payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, deferred tax is not recognized arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences in the reporting period they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset:

- if there is a legally enforceable right to offset current tax liabilities and assets, and
- if they relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities which intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities of which will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. 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 realized.

## 2.21 New standards and interpretations

A number of new standards, amendments to standards and interpretations became effective or are not yet effective for the year ended December 31, 2013 and have not been applied in preparing these consolidated financial statements. As of 2013 the Group has implemented the following relevant standards:

- Amendments to IFRS 7 Financial instruments disclosures, offsetting financial assets and liabilities, applicable to annual reporting periods beginning on or after January 1, 2013.
- IFRS 13 Fair Value Measurement, applicable to annual reporting periods beginning on or after January 1, 2013.
- Annual Improvements to IFRSs 2009-2011 Cycle
- IAS 19 Revised, Employee Benefits, applicable to annual reporting periods beginning on or after January 1, 2013. The Group has adopted IAS 19R at the start of the fiscal year 2013. The key elements of the changes are as follows.
  - Immediate recognition of all changes in the funded position;
  - Interest Cost and Expected Return on Plan Assets are replaced with net interest on the Net Defined Benefit Liability/Asset;
  - Explicit assumptions regarding risk-sharing features must be taken into account.

The implementation of IAS 19 revised has a material impact on equity and results. The 2012 comparative figures have been adjusted to reflect the changed principles. The openings balance 2012 has been restated. The employee benefit provisions on the openings balance 2012 increased with EUR 1.8 million, the deferred tax asset increased with EUR 0.4 million and it had a negative impact on comprehensive income of EUR 1.2 million.

For the year 2012 this has a positive impact on the operating result of EUR 1.0 million and EUR 0.8 million on net result. The employee benefit provisions per year end 2012 increased with EUR 4.6 million, the deferred tax asset increased with EUR 1.2 million and it had a negative impact on comprehensive income of EUR 4.1 million after tax.

The following revised standards and interpretations or amendments are not yet effective. The Group is currently assessing the impact of the following revised standards and interpretations or amendments that are not yet effective. These changes will be adopted on the effective dates noted and are not expected to have a material impact on the Group's result of operations, financial position or disclosures unless indicated otherwise.

- IAS 27 Separate Financial Statements (2011), applicable to annual reporting periods beginning on or after January 1, 2014.
- IAS 28 Investments in Associates and Joint Ventures (2011), applicable to annual reporting periods beginning on or after January 1, 2014.
- IFRS 10 Consolidated Financial Statements, applicable to annual reporting periods beginning on or after January 1, 2014.
- IFRS 11 Joint Arrangements, applicable to annual reporting periods beginning on or after January 1, 2014.
- IFRS 12 Disclosure of Interests in Other Entities, applicable to annual reporting periods beginning on or after January 1, 2014.
- Amendments to IAS 32 Offsetting financial assets and financial liabilities, applicable to annual reporting periods beginning on or after January 1, 2014.
- Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets, applicable to annual reporting periods beginning on or after January 1, 2014.
- Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting, applicable to annual reporting periods beginning on or after January 1, 2014.

The Group is currently assessing the impact of the following revised standards and interpretations or amendments that are not yet effective. These changes have not yet been endorsed by the EU, so will not necessarily be adopted by the effective dates noted.

- IFRS 9 Financial Instruments classification and measurement, hedge accounting and impairment, Effective date not fixed yet.

## 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. Management considers the Group as one reportable segment because all production and sales are in Europe and the Executive Board manages the Group on consolidated level.

## 3 Financial risk management

### 3.1 Financial risk

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Executive Board has the responsibility for the establishment and oversight of the risk management framework of the Group.

Risk management policies of the Group are established to identify and analyze 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 in the activities of the Group. Through its training program and its management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Supervisory Board oversees management's monitoring of compliance with the risk management policies and procedures of the Group and it reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### 3.1.1 Credit risk

Credit risk represents the risk that counter parties fail to meet their contractual obligations, and arises principally in the receivables from customers, cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group does not have any significant concentration of credit risk. In order to reduce the exposure to credit risk, the Group carries out ongoing credit evaluations of the financial position of customers but generally does not require collateral. Use is made of a combination of independent ratings and risk controls to assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Sales are subject to payment conditions which are common practice in each country. The banks and financial institutions used as counterparty for holding cash and cash equivalents and deposits and in derivative transactions can be classified as high credit quality financial institutions (minimal A rating Standard & Poor's).

The Group has policies that limit the amount of credit exposure to individual financial institutions. Management believes that the likelihood of losses arising from credit risk is remote particularly in the light of the diversification of activities.

## Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure at the reporting date:

|                                  |             | Carrying amount |              |
|----------------------------------|-------------|-----------------|--------------|
|                                  |             | 2013            | 2012         |
| <i>EUR million</i>               | <b>Note</b> |                 |              |
| Non-current investments          | 5.3         | 5.9             | 3.9          |
| Trade and other receivables      | 5.6         | 350.2           | 255.5        |
| Derivative financial instruments | 5.3         | 0.2             | 0.3          |
| Cash and cash equivalents        | 5.7         | 86.1            | 95.3         |
|                                  |             | <b>442.4</b>    | <b>355.0</b> |

The maximum exposure to credit risk for trade and other receivables at the reporting date by currency is as follows:

|                           |  | Carrying amount |              |
|---------------------------|--|-----------------|--------------|
|                           |  | 2013            | 2012         |
| <i>EUR million</i>        |  |                 |              |
| Euro-zone countries (EUR) |  | 270.3           | 238.9        |
| UK (GBP)                  |  | 65.9            | 8.6          |
| Poland (PLN)              |  | 14.0            | 8.0          |
|                           |  | <b>350.2</b>    | <b>255.5</b> |

Ageing trade and other receivables and impairment losses:

| 2013                       |              |                   | 2012         |                   |
|----------------------------|--------------|-------------------|--------------|-------------------|
| <i>EUR million</i>         | <b>Gross</b> | <b>Impairment</b> | <b>Gross</b> | <b>Impairment</b> |
| Not past due               | 315.1        | -                 | 220.4        | -                 |
| Past due 0 - 30 days       | 25.1         | -                 | 25.7         | -                 |
| Past due 31 - 60 days      | 2.5          | -                 | 4.7          | -                 |
| Past due more than 60 days | 12.9         | 5.4               | 8.6          | 3.9               |
|                            | <b>355.6</b> | <b>5.4</b>        | <b>259.4</b> | <b>3.9</b>        |

The movements in the impairment loss in respect of trade and other receivables during the year were as follows:

|                            | 2013       | 2012       |
|----------------------------|------------|------------|
| <i>EUR million</i>         |            |            |
| January 1                  | 3.9        | 4.3        |
| Impairment loss recognized | 0.6        | 0.5        |
| Acquisitions               | 1.4        | -          |
| Release of provision       | -          | (0.2)      |
| Write off                  | (0.5)      | (0.7)      |
| <b>December 31</b>         | <b>5.4</b> | <b>3.9</b> |

The Group determines impairment losses on the basis of specific estimates of losses incurred in respect of trade and other receivables. Based on historic default rates, the Group believes that no impairment loss has occurred in respect of trade receivables not past due or past due by up to 60 days.

### 3.1.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The approach of the Group to managing liquidity risk is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and more extreme conditions, without incurring unacceptable losses or risking damage to the reputation of the Group. The Group has a clear focus on financing long-term growth as well as current operations. Strong cost and cash management and controls over working capital and capital expenditure proposals are in place to ensure effective and efficient allocation of financial resources.

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, if applicable, are as shown in the following table. Insofar as these cash flows depend on future floating interest rates, the level of which was unknown on the balance sheet date, these cash flows have been estimated on the basis of rates prevailing on the balance sheet date.

| <b>December 31, 2013</b>                        |                        |                               |                         |                      |                    |                    |                     |
|-------------------------------------------------|------------------------|-------------------------------|-------------------------|----------------------|--------------------|--------------------|---------------------|
| <i>EUR million</i>                              | <b>Carrying amount</b> | <b>Contractual cash flows</b> | <b>6 months or less</b> | <b>6 - 12 months</b> | <b>1 - 2 years</b> | <b>2 - 5 years</b> | <b>&gt; 5 years</b> |
| <b>Non-derivative financial liabilities</b>     |                        |                               |                         |                      |                    |                    |                     |
| Notes issued                                    | 652.5                  | 872.0                         | 19.7                    | 19.7                 | 39.4               | 793.2              | -                   |
| Mortgage                                        | 33.9                   | 41.8                          | 1.5                     | 1.5                  | 2.9                | 11.3               | 24.6                |
| Revolving credit facility                       | 98.5                   | 117.7                         | 1.6                     | 1.6                  | 3.3                | 111.2              | -                   |
| Finance lease and other loans                   | 6.6                    | 7.1                           | 1.9                     | 2.1                  | 2.4                | 0.7                | -                   |
| Trade, other payables and short term provisions | 444.2                  | 444.2                         | 437.9                   | 6.3                  | -                  | -                  | -                   |
|                                                 | <b>1,235.7</b>         | <b>1,482.8</b>                | <b>462.6</b>            | <b>31.2</b>          | <b>48.0</b>        | <b>916.4</b>       | <b>24.6</b>         |
| <b>Derivative financial liabilities</b>         |                        |                               |                         |                      |                    |                    |                     |
| Interest rate swaps                             | 10.6                   | 16.3                          | 2.5                     | 2.4                  | 2.7                | 6.7                | 2.0                 |

The Group has an undrawn revolving credit facility maturing in 2017 of EUR 50.0 million.



**December 31, 2012**

| <i>EUR million</i>                              | Carrying amount | Contractual cash flows | 6 months or less | 6 - 12 months | 1 - 2 years | 2 - 5 years  | > 5 years    |
|-------------------------------------------------|-----------------|------------------------|------------------|---------------|-------------|--------------|--------------|
| <b>Non-derivative financial liabilities</b>     |                 |                        |                  |               |             |              |              |
| Notes issued                                    | 651.0           | 909.6                  | 19.6             | 19.6          | 39.1        | 156.4        | 674.9        |
| Finance lease and other loans                   | 7.3             | 7.3                    | 1.5              | 1.4           | 2.9         | 1.5          | -            |
| Trade, other payables and short term provisions | 329.0           | 329.0                  | 329.0            | -             | -           | -            | -            |
|                                                 | <b>987.3</b>    | <b>1,245.9</b>         | <b>350.2</b>     | <b>21.0</b>   | <b>42.0</b> | <b>157.9</b> | <b>674.9</b> |
| <b>Derivative financial liabilities</b>         |                 |                        |                  |               |             |              |              |
| Interest rate swaps                             | 10.9            | 13.1                   | 2.8              | 2.4           | 3.2         | 4.7          | -            |

The Group has an undrawn revolving credit facility maturing in 2017 of EUR 75.0 million.

The Group determines impairment losses on the basis of specific estimates of losses incurred in respect of trade and other receivables. Based on historic default rates, the Group believes that no impairment loss has occurred in respect of trade receivables not past due or past due by up to 60 days.

### 3.1.3 Market risk

#### Foreign currency risk

The Group is exposed to currency risk mainly on purchases denominated in USD. At any point in time the Group hedges 80 to 100% of its foreign currency exposure on contracted forecasted purchases. The Group uses currency option contracts and forward exchange contracts to hedge its currency risks, most of which have a maturity date of less than one year from the reporting date. When necessary, foreign currency contracts are rolled over on maturity.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, as necessary, to address short-term imbalances. The business combination with Gerber Emig increased our business in Poland and the UK, resulting in additional exposure to foreign currency movements. As of the merger date the group policy for foreign currency hedging is also applied for all former Gerber Emig business.

In order to minimize the impact of accounting mismatches in the profit or loss account, the Company applies cash flow hedge accounting. The effectiveness of the hedge relationship is measured based on changes in intrinsic value of options and fair value of forward contracts. The changes in time value of the currency options are directly recorded in the income statement, as part of raw material costs. Per year end the cash flow hedge accounting relationships were fully effective. There are no forecasted transactions for which hedge accounting has been applied, but which are no longer expected to occur. The fair value of foreign currency instruments per reporting date is -/- EUR 3.9 million (2012: -/-EUR 1.1 million). The effective part of the intrinsic value changes of the foreign currency option contracts and the fair value of the forward contracts amounted to a EUR 0.8 million loss net of deferred taxes in comprehensive income (2012: EUR 0.8 million loss). In 2013 an amount of EUR 1.1 million was reclassified from Comprehensive Income to raw material costs (2012 EUR 6.8 million). During 2013 an amount of EUR 0.1 million was recorded in raw material costs due to ineffectiveness (2012: EUR 1.5 million). The amounts deferred in equity at year-end are expected to occur and to affect profit and loss for majority in 2014. All of the resulting fair value estimates are included in Level 2.

The notional amounts of exposure to significant foreign currency risks were as follows:

|                                                        | 2013         | 2012         |
|--------------------------------------------------------|--------------|--------------|
| <i>USD million</i>                                     |              |              |
| Trade payables                                         | 29.8         | 21.8         |
| Estimated forecast purchases                           | 109.3        | 82.8         |
| <b>Gross exposure</b>                                  | <b>139.1</b> | <b>104.6</b> |
| Forward exchange contracts / Currency option contracts | 117.0        | 99.3         |
| <b>Net exposure</b>                                    | <b>22.1</b>  | <b>5.3</b>   |

The change in fair value of the financial instruments used to hedge currency risk is included in raw materials and consumables in the income statement, except for the instruments for which hedge accounting is applied.

The following significant exchange rates were applied during the year:

|                       | Average |      | Year-end |      |
|-----------------------|---------|------|----------|------|
|                       | 2013    | 2012 | 2013     | 2012 |
| <i>Value of EUR 1</i> |         |      |          |      |
| USD                   | 1.33    | 1.29 | 1.38     | 1.32 |
| GBP                   | 0.85    | 0.81 | 0.83     | 0.82 |
| PLN                   | 4.19    | 4.17 | 4.15     | 4.09 |

#### Sensitivity analysis

A 10% strengthening or weakening of the Euro against the USD at reporting date would have changed equity and profit or loss by the amounts shown below.

|                                    | Profit / (loss)   |               | OCI               |               |
|------------------------------------|-------------------|---------------|-------------------|---------------|
|                                    | 10% strengthening | 10% weakening | 10% strengthening | 10% weakening |
| <i>EUR million</i>                 |                   |               |                   |               |
| Trade payables                     | (1.4)             | 1.4           | -                 | -             |
| Foreign currency hedge instruments | 1.4               | (1.0)         | 5.7               | (4.2)         |
| <b>Net effect</b>                  | <b>-</b>          | <b>0.4</b>    | <b>5.7</b>        | <b>(4.2)</b>  |

**Interest rate risk**

The Group is exposed to the effects of variable interest rates on interest-bearing long-term liabilities, which is partly offset by cash held at variable rates. On fixed interest receivables and liabilities, it is exposed to market value fluctuations. For certain variable interest rate long term liabilities, the Group has entered into interest rate swap agreements through which the Group effectively pays fixed interest rates on these liabilities. At any point in time the Group hedges 90 to 100% of the net interest rate risk.

The Group applies Cash flow hedge accounting to offset the profit or loss impact resulting of timing differences between variable interest rate liabilities and the interest rate swap. Throughout the year 2012 and 2013 as well as per year end the cash flow hedge accounting relationships were effective.

The fair value of interest rate swaps per reporting date is -/- EUR 10.6 million (2012: -/- EUR 10.9 million). The effective part of the fair value changes of the interest rate swaps amounts to EUR 4.0 million (2012: EUR 5.7 million) loss net of deferred taxes in comprehensive income. In 2013 an amount of EUR 2.6 million (2012: EUR 3.0 million) was reclassified from Comprehensive Income to financing cost. During 2013 no amounts were recorded in financing cost due to ineffectiveness. The amounts deferred in equity at year-end are expected to affect financing costs within the coming two to six years. All of the resulting fair value estimates are included in Level 2.

**Profile**

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

|                                                                      |             | Carrying amount |              |
|----------------------------------------------------------------------|-------------|-----------------|--------------|
|                                                                      |             | 2013            | 2012         |
| <i>EUR million</i>                                                   | <b>Note</b> |                 |              |
| <b>Fixed rate instruments</b>                                        |             |                 |              |
| Loans and borrowings                                                 | 5.10        | 362.6           | 362.4        |
|                                                                      |             | <b>362.6</b>    | <b>362.4</b> |
| <b>Variable rate instruments</b>                                     |             |                 |              |
| Cash                                                                 | 5.7         | (86.1)          | (95.3)       |
| Non-current investments                                              | 5.3         | (5.9)           | (3.9)        |
| Loans and borrowings                                                 | 5.10        | 429.0           | 295.9        |
|                                                                      |             | <b>337.0</b>    | <b>196.7</b> |
| Notional amount interest rate swaps per year end (floating to fixed) |             | 271.7           | 225.0        |
| Over / (under) hedged                                                |             | (65.3)          | 28.3         |

As at balance sheet date, interest rates were fixed on approximately 90.7% of the net of cash and financial liability positions. Per end of 2012 the Group was over hedged because some interest rate swaps related to the former financing are still in place. This situation was still in place because the group decided not to sell excess interest rate swaps for cashflow purposes. The over hedge has faded out early 2013. Per end of 2013 the position is in line with the group policy to hedge 90 to 100% of the net interest rate risk.

#### *Sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not have affected profit or loss.

#### *Sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have changed equity and profit or loss by the amounts shown in table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The Group assumes that lowest Euribor/Libor rate reasonably possible is zero. The analysis is performed on the same basis as for 2012.

|                                                       | Profit / (loss)           |                                 | Comprehensive income      |                                 |
|-------------------------------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
| December 31, 2013                                     |                           |                                 |                           |                                 |
| EUR million                                           | 100 basis points increase | 3m Euribor zero during the year | 100 basis points increase | 3m Euribor zero during the year |
| Interest (paid)/received on variable rate instruments | 0.3                       | (0.1)                           | -                         | -                               |
| Change fair value interest rate swaps                 | 0.3                       | 0.1                             | 2.7                       | (5.0)                           |
| Total                                                 | 0.6                       | -                               | 2.7                       | (5.0)                           |

|                                                       | Profit / (loss)           |                                 | Comprehensive income      |                                 |
|-------------------------------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
| December 31, 2012                                     |                           |                                 |                           |                                 |
| EUR million                                           | 100 basis points increase | 3m Euribor zero during the year | 100 basis points increase | 3m Euribor zero during the year |
| Interest (paid)/received on variable rate instruments | (0.2)                     | 1.6                             | -                         | -                               |
| Change fair value interest rate swaps                 | 1.2                       | -                               | (3.2)                     | 1.4                             |
| Total                                                 | 1.0                       | 1.6                             | (3.2)                     | 1.4                             |

#### *Price risk*

The Group is exposed to commodity price risks. To manage these risks procurement operates within the framework of centrally specified policies and guidelines and must act in conformance with the required internal control measures. The Group contract positions are based on a thorough understanding of the raw material markets and in principle contracted sales are covered back to back. During 2013 the Group continued to centralize the procurement of all raw and packaging materials. Authority levels of local management have been shifted towards the Group central procurement organization which is executing and monitoring the main contracts and important purchase decisions. Commodities are only purchased locally after approval of the central purchasing department. Contracts exceeding predefined limits must be authorized by the Executive Board. Existing contract positions are closely monitored and, when necessary, corrective actions are evaluated and implemented.

To enable it to stay abreast of the current situation in the raw materials markets and maintain its gross margins, the Group implements pass-on clauses into sales contracts with customers. In parallel, the quality of management information has been enhanced by the development of a network enabling knowledge of markets, suppliers and conditions of raw materials to be shared at Group level. In 2013 the Group started to hedge raw materials through derivatives. The fair value of these raw material derivative is recognized in profit and loss. The fair value per year is -/- EUR 0.5 million.

#### ***Pension risk***

The Group contributes to a number of defined benefit plans that provide pension benefits to employees upon retirement in the Netherlands, Germany, Italy and the UK. The amount of the benefits depends on age, salary and years of service. Furthermore, the Group has an indemnity plan in France and obligations for jubilee in the Netherlands, Germany and France. The financial figures are affected by the market interest rates and fair value of listed bonds and equity shares included in plan assets.

### **3.2 Capital management**

The policy of the Group is to maintain a sufficient capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### **3.3 Determination of fair values**

A number of the accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods set out below. Where applicable further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### ***Property, plant and equipment***

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property would likely be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of machinery and equipment and other fixed assets is based on the quoted market prices for similar items.

#### ***Other intangible assets***

The fair value of brands and sales channels acquired in a business combination is determined based on the relief of royalty method. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of these assets.

#### ***Inventories***

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale and less a reasonable profit margin based on the effort required to complete and sell the inventories.

#### ***Trade and other receivables***

The fair value of trade and other receivables equal the carrying amount due to the short term nature.

### ***Derivative financial instruments***

The Group defines the following different levels of fair value:

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

### ***Non-derivative financial liabilities***

Fair value for disclosure purposes is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by calculating of the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

### ***Fair values***

The fair value of the senior secured notes issued per reporting date is EUR 690.0million (2012: EUR 662.5 million), with a nominal value of EUR 660.0 million. The fair values of other financial assets and liabilities approximate the carrying amounts, as the impact of discounting is not significant.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2013. See note 5.8 for disclosures of assets held for sale that are measured at fair value.

|                      | Level 1  | Level 2      | Level 3  | Total        |
|----------------------|----------|--------------|----------|--------------|
| <i>EUR million</i>   |          |              |          |              |
| Fx instruments       | -        | (3.8)        | -        | (3.8)        |
| Commodity swaps      | -        | (0.5)        | -        | (0.5)        |
| Assets held for sale | -        | 6.7          | -        | 6.7          |
| Interest rate swaps  | -        | (10.6)       | -        | (10.6)       |
| <b>Total</b>         | <b>-</b> | <b>(8.2)</b> | <b>-</b> | <b>(8.2)</b> |

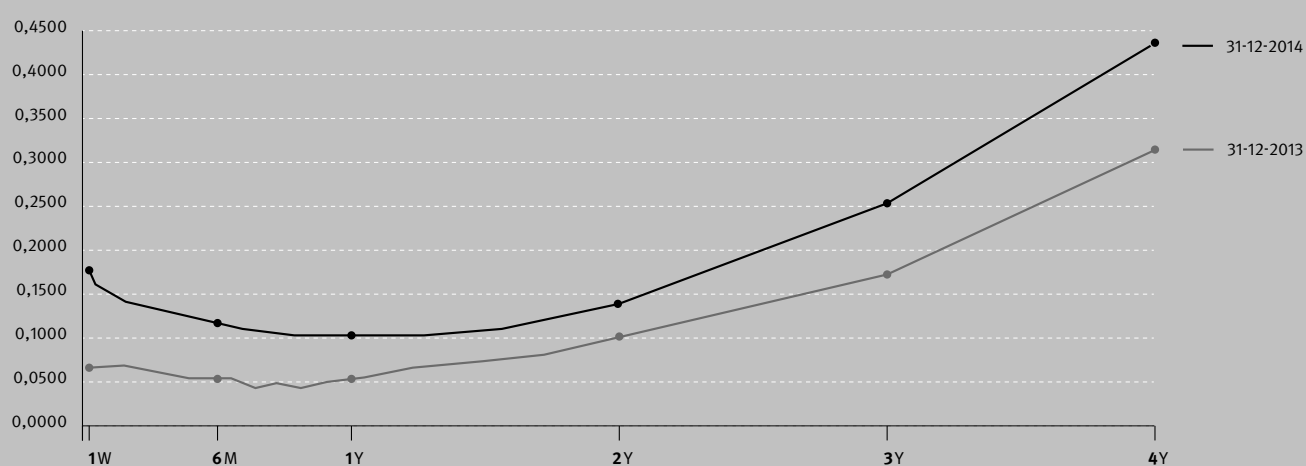
In 2012 and 2013 there were no reclassifications out of or into Level 1 and 3.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2012.

|                     | Level 1  | Level 2       | Level 3  | Total         |
|---------------------|----------|---------------|----------|---------------|
| <i>EUR million</i>  |          |               |          |               |
| Fx instruments      | -        | (1.0)         | -        | (1.0)         |
| Interest rate swaps | -        | (10.9)        | -        | (10.9)        |
| <b>Total</b>        | <b>-</b> | <b>(11.9)</b> | <b>-</b> | <b>(11.9)</b> |

**Interest rates used for determining fair value**

The interest rates used to discount estimated cash flows of derivative financial instruments, where applicable, are based on Eonia curve at the reporting date. The implicit interest rate has been used for the finance leases and is 5.1% for both 2013 (2012: 5.3%).

**EONIA Curve**

### 3.4 Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

| December 31, 2013  |                        |                      |                                                         |                                                         |            |              |
|--------------------|------------------------|----------------------|---------------------------------------------------------|---------------------------------------------------------|------------|--------------|
| <i>EUR million</i> | Gross carrying amounts | Gross amounts offset | Net amount presented in statement of financial position | Amounts available to be offset in bankruptcy or default |            | Net Exposure |
|                    |                        |                      |                                                         | Financial instruments                                   | Collateral |              |
| <b>Assets</b>      |                        |                      |                                                         |                                                         |            |              |
| Cash at banks      | 99.5                   | 13.4                 | 86.1                                                    | -                                                       | -          | 86.1         |
| <b>Liabilities</b> | -                      | -                    | -                                                       | -                                                       | -          | -            |
| <b>Total</b>       | <b>99.5</b>            | <b>13.4</b>          | <b>86.1</b>                                             | <b>-</b>                                                | <b>-</b>   | <b>86.1</b>  |

| December 31, 2012  |                        |                      |                                                         |                                                         |            |              |
|--------------------|------------------------|----------------------|---------------------------------------------------------|---------------------------------------------------------|------------|--------------|
| <i>EUR million</i> | Gross carrying amounts | Gross amounts offset | Net amount presented in statement of financial position | Amounts available to be offset in bankruptcy or default |            | Net Exposure |
|                    |                        |                      |                                                         | Financial instruments                                   | Collateral |              |
| <b>Assets</b>      |                        |                      |                                                         |                                                         |            |              |
| Cash at banks      | 97.4                   | 2.1                  | 95.3                                                    | -                                                       | -          | 95.3         |
| <b>Liabilities</b> | -                      | -                    | -                                                       | -                                                       | -          | -            |
| <b>Total</b>       | <b>97.4</b>            | <b>2.1</b>           | <b>95.3</b>                                             | <b>-</b>                                                | <b>-</b>   | <b>95.3</b>  |

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis; however, each party to the master netting agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.



### 3.5 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, especially the periodical review of useful lives and residual values of property plant and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any subsequent periods affected.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### ***Estimated impairment of goodwill***

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.10. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

#### ***Income taxes***

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

#### ***Fair value of derivatives and other financial instruments***

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. Additional information is disclosed in note 2.21.

#### ***Pension benefits***

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 5.11.

Information for other areas of estimation and critical judgment used in applying accounting policies can be found in the following notes:

- **Note 2.8:** Leased assets
- **Note 3:** Financial risk management
- **Note 5.1:** Property plant and equipment
- **Note 5.2:** Intangible fixed assets
- **Note 5.12:** Other provisions
- **Note 6.1:** Business combinations

## 4 Notes to the consolidated income statement

### 4.1 Revenue

|                              | 2013           | 2012           |
|------------------------------|----------------|----------------|
| <i>EUR million</i>           |                |                |
| Private label and own brands | 1,314.2        | 1,276.2        |
| Contract manufacturing       | 273.4          | 262.1          |
|                              | <b>1,587.6</b> | <b>1,538.3</b> |

Split of revenue is set forth in the table below.

|                      | 2013           | 2012           |
|----------------------|----------------|----------------|
| <i>EUR million</i>   |                |                |
| Benelux              | 472.9          | 467.2          |
| Germany              | 346.4          | 337.0          |
| France               | 260.4          | 246.0          |
| Iberia               | 148.3          | 179.6          |
| Italy                | 150.5          | 153.0          |
| UK                   | 92.2           | 53.3           |
| North Eastern Europe | 116.9          | 102.2          |
|                      | <b>1,587.6</b> | <b>1,538.3</b> |

### 4.2 Other income

Other income relates entirely to gains and/or losses on sale of property, plant and equipment.

### 4.3 Raw materials and consumables used

|                               | 2013         | 2012         |
|-------------------------------|--------------|--------------|
| <i>EUR million</i>            |              |              |
| Raw materials and consumables | 513.3        | 480.6        |
| Packaging materials           | 445.0        | 460.5        |
| Product tax                   | 13.5         | 17.9         |
|                               | <b>971.8</b> | <b>959.0</b> |

#### 4.4 Employee benefits expense

|                                                       |             | 2013         | 2012         |
|-------------------------------------------------------|-------------|--------------|--------------|
| <i>EUR million</i>                                    |             |              |              |
|                                                       | <b>Note</b> |              |              |
| Wages and salaries                                    |             | 139.4        | 116.3        |
| Compulsory social security contributions              |             | 30.0         | 28.8         |
| Pension contributions to defined contribution schemes | 5.11        | 1.9          | 1.8          |
| Pension costs of defined benefit schemes              | 5.11        | 2.6          | 3.4          |
|                                                       |             | <b>173.9</b> | <b>150.3</b> |

During 2013 the average number of employees in the Group, in full-time equivalents ("FTEs"), was 3,229 (2012: 3,074), of which 2,718 (2012: 2,570) were employed outside the Netherlands. The average number includes the employees of Gerber Emig for the year as of the business combination.

#### 4.5 Depreciation, amortization and impairments

|                                               |             | 2013        | 2012        |
|-----------------------------------------------|-------------|-------------|-------------|
| <i>EUR million</i>                            |             |             |             |
|                                               | <b>Note</b> |             |             |
| Depreciation of property, plant and equipment | 5.1         | 76.5        | 62.1        |
| Amortization of intangible assets             | 5.2         | 3.9         | 3.8         |
| Impairments on tangible fixed assets          | 5.1         | -           | 5.0         |
| Impairments on intangible fixed assets        | 5.2         | 5.9         | 2.5         |
|                                               |             | <b>86.3</b> | <b>73.4</b> |

The depreciation on tangible fixed assets in 2013 includes accelerated depreciation on plants in Durham (UK) and Heerlen (the Netherlands) for an amount of EUR 14.1 million. The impairment on intangible fixed assets relates to goodwill on our business in Finland. For more details a reference is made to note 5.2.

The impairment on tangible fixed assets in 2012 mainly relates to a plant in Italy due to closure and a plant in Germany.

#### 4.6 Other operating expenses

|                                              |             | 2013         | 2012         |
|----------------------------------------------|-------------|--------------|--------------|
| <i>EUR million</i>                           |             |              |              |
|                                              | <b>Note</b> |              |              |
| Freight charges                              |             | 74.2         | 75.4         |
| Other cost of sales, including excise duties |             | 55.2         | 60.3         |
| Promotion costs                              |             | 3.3          | 2.3          |
| Temporary staff                              |             | 12.5         | 13.2         |
| Other personnel costs                        |             | 9.6          | 9.1          |
| Rent and leasing of machinery and equipment  | 6.2         | 19.6         | 18.0         |
| Maintenance                                  |             | 35.1         | 30.3         |
| Energy                                       |             | 40.1         | 38.9         |
| Advice and legal costs                       |             | 13.3         | 7.6          |
| Housing costs, including rental of buildings | 6.2         | 13.8         | 11.6         |
| Storage costs                                |             | 18.4         | 21.2         |
| Other operating costs                        |             | 36.4         | 32.0         |
|                                              |             | <b>331.5</b> | <b>319.9</b> |

Advice and legal costs includes EUR 8.7 million related to the business combination (2012: EUR 1.8 million).

#### 4.7 Net finance costs

Net finance costs recognized in the income statement:

|                                                                                   | 2013          | 2012          |
|-----------------------------------------------------------------------------------|---------------|---------------|
| <i>EUR million</i>                                                                |               |               |
| Interest income                                                                   | 0.3           | 0.6           |
| <b>Finance income</b>                                                             | <b>0.3</b>    | <b>0.6</b>    |
| Interest expense on financial liabilities measured with effective interest method | (46.8)        | (49.7)        |
| Cost of borrowings                                                                | (1.7)         | (1.7)         |
| Change in fair value of derivatives recognized in profit and loss                 | 2.6           | 3.0           |
| <b>Finance costs</b>                                                              | <b>(45.9)</b> | <b>(48.4)</b> |
| <b>Net finance costs</b>                                                          | <b>(45.6)</b> | <b>(47.8)</b> |

The net change in fair value of derivative financial instruments of EUR 2.6 million positive (2012: EUR 3.0 million positive) relates to changes in the fair value of the interest rate swaps concluded by the Group to hedge the external financing with variable interest rates. The amount reflects the change in fair value of interest rate swaps for which no hedge accounting is applied and release from comprehensive income. The amounts are part of interest expenses.

The cost of borrowings relates to the financing costs which were capitalized in the aggregate amount and the effective interest method is applied.

|                                |                                   | 2013                      | 2012                      |
|--------------------------------|-----------------------------------|---------------------------|---------------------------|
| <i>EUR million</i>             | <b>Initial Capitalized Amount</b> | <b>Costs of Borrowing</b> | <b>Costs of Borrowing</b> |
| Notes issued 2011              | 11.5                              | (1.6)                     | (1.7)                     |
| Revolving Credit facility 2013 | 1.5                               | (0.1)                     | -                         |
| <b>Costs of borrowings</b>     |                                   | <b>(1.7)</b>              | <b>(1.7)</b>              |

*Finance income and costs recognized in comprehensive income*

|                                                                                       | 2013       | 2012       |
|---------------------------------------------------------------------------------------|------------|------------|
| <i>EUR million</i>                                                                    |            |            |
| Foreign currency translation differences for foreign operations                       | (1.2)      | 4.1        |
| Effective portion of changes in fair value of cash flow hedges                        | 3.5        | (1.7)      |
| Tax effect                                                                            | (0.6)      | 0.1        |
| <b>Net finance income / (costs)</b><br>recognized in comprehensive income, net of tax | <b>1.7</b> | <b>2.5</b> |
| <b>Recognized in:</b>                                                                 |            |            |
| Translation reserve                                                                   | (1.0)      | 3.8        |
| Hedging reserve                                                                       | 2.7        | (1.3)      |
| <b>Net finance income / (costs)</b><br>recognized in comprehensive income, net of tax | <b>1.7</b> | <b>2.5</b> |

4.8 Income tax (expense) / benefit

|                                                    | 2013          | 2012          |
|----------------------------------------------------|---------------|---------------|
| <i>EUR million</i>                                 |               |               |
| <b>Current tax expense</b>                         |               |               |
| Current income tax                                 | (11.7)        | (11.1)        |
| Current income tax previous years                  | -             | (0.7)         |
| Other taxes                                        | (1.1)         | (1.5)         |
|                                                    | <b>(12.8)</b> | <b>(13.3)</b> |
| <b>Deferred tax expenses</b>                       |               |               |
| Reversal of temporary differences                  | 11.5          | 8.9           |
| Change in tax rate                                 | 0.4           | -             |
| (De)recognition (un)recognized deferred tax assets | (6.8)         | (2.2)         |
| Prior period taxes                                 | 0.1           | 0.8           |
|                                                    | <b>5.2</b>    | <b>7.5</b>    |
| <b>Total income tax (expense) / benefit</b>        | <b>(7.6)</b>  | <b>(5.8)</b>  |

**Reconciliation of effective tax rate**

|                                                    | 2013         |                | 2012         |                |
|----------------------------------------------------|--------------|----------------|--------------|----------------|
| <i>EUR million</i>                                 |              | %              |              | %              |
| Result before tax                                  | (21.2)       |                | (11.6)       |                |
| Income tax based on the Group's blended tax rate   | 2.4          | 11.4%          | 0.5          | 4.3%           |
| Non-deductible operational expenses                | (0.8)        | (3.7)%         | (0.9)        | (7.4)%         |
| Non-deductible interest                            | (0.5)        | (2.4)%         | (1.1)        | (9.1)%         |
| Exempted participations related results            | (2.3)        | (10.8)%        | (1.3)        | (11.1)%        |
| Change in tax rate                                 | 0.4          | 2.0%           | -            | 0.0%           |
| (De)recognition (un)recognized deferred tax assets | (6.8)        | (32.1)%        | (2.0)        | (17.6)%        |
| Other taxes                                        | (0.7)        | (3.3)%         | (1.3)        | (11.1)%        |
| Prior period taxes                                 | 0.1          | 0.5%           | 0.1          | 0.8%           |
| Other reconciling items                            | 0.6          | 2.8%           | 0.2          | 1.6%           |
| <b>Total income tax (expense) / benefits</b>       | <b>(7.6)</b> | <b>(35.9)%</b> | <b>(5.8)</b> | <b>(49.6)%</b> |

The effective tax rate is 35.9% negative, compared to a blended Group tax rate of 11.4%.

The negative effective tax rate is mainly explained by the derecognition of recognized deferred tax assets on losses in Germany. This is a one off event triggered by the business combination with Gerber Emig, causing a partial loss forfeiture. In addition the loss for the year in the UK has not been recognized. To continue, non-deductible impairment of goodwill in Finland, non-deductible merger costs incurred in the Netherlands, non-deductible interest in France and non-deductible operational expenses in several jurisdictions further impact the effective tax rate negatively. Also other taxes such as CVAE and IFA in France and IRAP in Italy have a negative impact on the effective tax rate. Finally, the change in tax rates for Finland and the UK, notional interest deduction in Belgium, investment allowances in several jurisdictions and adjustments to overprovisions of the tax accruals for prior years have a positive impact on the effective tax rate.

**Income tax recognized in comprehensive income**

|                                                                           | 2013       | 2012       |
|---------------------------------------------------------------------------|------------|------------|
| <i>EUR million</i>                                                        |            |            |
| Changes in tax on hedging reserve currency translation adjustment         | 0.2        | (0.3)      |
| Changes in tax on hedging reserve foreign currency hedge instruments      | -          | 1.7        |
| Changes in tax on hedging reserve interest rate swaps                     | (0.8)      | 0.4        |
| Changes in tax on actuarial gains and losses in OCI                       | 2.1        | 0.9        |
| <b>Total income tax (expense) / benefit in other comprehensive income</b> | <b>1.5</b> | <b>2.7</b> |

## 5 Notes to the consolidated balance sheet

### 5.1 Property plant and equipment

| <i>EUR million</i>                        | Note | Land and buildings | Machinery and equipment | Other fixed assets | Under construction | Total          |
|-------------------------------------------|------|--------------------|-------------------------|--------------------|--------------------|----------------|
| <b>Cost</b>                               |      |                    |                         |                    |                    |                |
| <b>January 1, 2012</b>                    |      | <b>234.1</b>       | <b>367.5</b>            | <b>17.9</b>        | <b>10.3</b>        | <b>629.8</b>   |
| Additions                                 |      | 0.5                | 10.8                    | 2.4                | 29.3               | 43.0           |
| Reclassifications                         |      | (10.5)             | 21.0                    | 18.6               | (27.3)             | 1.8            |
| Acquired through business combinations    |      | 1.2                | 3.5                     | -                  | -                  | 4.7            |
| Transfer from assets held for sale        | 5.8  | 2.0                | -                       | -                  | -                  | 2.0            |
| Disposals                                 |      | (22.0)             | (31.6)                  | (2.8)              | -                  | (56.4)         |
| Effect of movements in exchange rates     |      | 0.7                | 2.1                     | -                  | 0.1                | 2.9            |
| <b>December 31, 2012</b>                  |      | <b>206.0</b>       | <b>373.3</b>            | <b>36.1</b>        | <b>12.4</b>        | <b>627.8</b>   |
| <b>January 1, 2013</b>                    |      | <b>206.0</b>       | <b>373.3</b>            | <b>36.1</b>        | <b>12.4</b>        | <b>627.8</b>   |
| Additions                                 |      | 0.9                | 9.5                     | 2.4                | 34.5               | 47.3           |
| Reclassifications                         |      | 3.1                | 21.8                    | 1.6                | (27.5)             | (1.0)          |
| Acquired through business combinations    | 6.1  | 89.6               | 73.8                    | 0.6                | 1.6                | 165.6          |
| Disposals                                 |      | (0.2)              | (6.5)                   | (0.7)              | 0.1                | (7.3)          |
| Effect of movements in exchange rates     |      | (0.2)              | (0.7)                   | -                  | -                  | (0.9)          |
| <b>December 31, 2013</b>                  |      | <b>299.2</b>       | <b>471.2</b>            | <b>40.0</b>        | <b>21.1</b>        | <b>831.5</b>   |
| <b>Depreciation and impairment losses</b> |      |                    |                         |                    |                    |                |
| <b>January 1, 2012</b>                    |      | <b>(44.4)</b>      | <b>(167.3)</b>          | <b>(6.1)</b>       | -                  | <b>(217.8)</b> |
| Depreciation for the year                 | 4.5  | (10.0)             | (46.0)                  | (6.1)              | -                  | (62.1)         |
| Reclassification                          |      | 3.7                | 1.9                     | (7.6)              | -                  | (2.0)          |
| Impairment                                |      | (3.2)              | (1.5)                   | (0.3)              | -                  | (5.0)          |
| Transfer to assets held for sale          | 5.8  | (0.9)              | -                       | -                  | -                  | (0.9)          |
| Disposals                                 |      | 18.7               | 30.9                    | 2.7                | -                  | 52.3           |
| Effect of movements in exchange rates     |      | (0.1)              | (0.8)                   | -                  | -                  | (0.9)          |
| <b>December 31, 2012</b>                  |      | <b>(36.2)</b>      | <b>(182.8)</b>          | <b>(17.4)</b>      | -                  | <b>(236.4)</b> |
| <b>January 1, 2013</b>                    |      | <b>(36.2)</b>      | <b>(182.8)</b>          | <b>(17.4)</b>      | -                  | <b>(236.4)</b> |
| Depreciation for the year                 | 4.5  | (14.1)             | (57.0)                  | (5.5)              | -                  | (76.6)         |
| Reclassification                          |      | (0.6)              | 0.6                     | -                  | -                  | -              |
| Disposals                                 |      | 0.2                | 5.6                     | 0.9                | -                  | 6.7            |
| Effect of movements in exchange rates     |      | 0.1                | 0.1                     | -                  | -                  | 0.2            |
| <b>December 31, 2013</b>                  |      | <b>(50.6)</b>      | <b>(233.5)</b>          | <b>(22.0)</b>      | -                  | <b>(306.1)</b> |
| <b>Carrying amounts</b>                   |      |                    |                         |                    |                    |                |
| <b>January 1, 2012</b>                    |      | <b>189.7</b>       | <b>200.2</b>            | <b>11.8</b>        | <b>10.3</b>        | <b>412.0</b>   |
| <b>December 31, 2012</b>                  |      | <b>169.8</b>       | <b>190.5</b>            | <b>18.7</b>        | <b>12.4</b>        | <b>391.4</b>   |
| <b>December 31, 2013</b>                  |      | <b>248.6</b>       | <b>237.7</b>            | <b>18.0</b>        | <b>21.1</b>        | <b>525.4</b>   |



***Impairment losses***

In 2013 no impairments were recognized. The impairment on tangible fixed assets in 2012 mainly relates to a plant in Italy and a plant in Germany due to closures.

***Financial leases***

The Group leases a warehouse and production equipment under a number of finance lease agreements secured on the underlying leased assets (reference is made to note 5.10). At December 31, 2013, the carrying amount of leased plant and machinery was EUR 17.8 million (2012: EUR 18.3 million).

***Collateral***

Collateral for the redemption of the notes and the revolving credit facility has been given on all fixed assets in the Netherlands and Germany, and on real estate in Finland and Poland with a carrying amount of EUR 190.4 million. Collateral on the land and buildings in Bridgwater in the UK is given for the mortgage loan.

***Reclassification***

The reclassification relates to a transfer of amounts to the correct assets classes.

***Property, plant and equipment under construction***

Property, plant and equipment under construction relates mainly to expansion of production facilities in the Netherlands, France, and Germany. After construction is complete, the assets are reclassified to the applicable property, plant and equipment category. The net balance of reclassifications is related to assets under construction transferred to intangible fixed assets.

## 5.2 Intangible fixed assets

| <i>EUR million</i>                                 | Note | Goodwill      | Brands and sales channels | Other         | Assets under construction | Total         |
|----------------------------------------------------|------|---------------|---------------------------|---------------|---------------------------|---------------|
| <b>Cost</b>                                        |      |               |                           |               |                           |               |
| <b>January 1, 2012</b>                             |      | <b>297.1</b>  | <b>7.4</b>                | <b>12.6</b>   | <b>0.3</b>                | <b>317.4</b>  |
| Acquisitions through business combinations         |      | 1.4           | -                         | -             | -                         | 1.4           |
| Additions at cost                                  |      | -             | -                         | 0.1           | 0.5                       | 0.6           |
| Disposals at cost                                  |      | -             | -                         | (0.1)         | -                         | (0.1)         |
| Reclassification from property plant and equipment |      | -             | 0.2                       | 0.6           | (0.6)                     | 0.2           |
| Effect of movements in exchange rates              |      | 1.6           | -                         | -             | -                         | 1.6           |
| <b>December 31, 2012</b>                           |      | <b>300.1</b>  | <b>7.6</b>                | <b>13.2</b>   | <b>0.2</b>                | <b>321.1</b>  |
| <b>January 1, 2013</b>                             |      | <b>300.1</b>  | <b>7.6</b>                | <b>13.2</b>   | <b>0.2</b>                | <b>321.1</b>  |
| Acquisitions through business combinations         | 6.1  | 132.5         | -                         | 0.7           | -                         | 133.2         |
| Additions                                          |      | -             | -                         | 0.1           | 0.4                       | 0.5           |
| Disposals                                          |      | -             | -                         | (0.3)         | -                         | (0.3)         |
| Reclassifications                                  |      | -             | -                         | 1.3           | (0.3)                     | 1.0           |
| Effect of movements in exchange rates              |      | (0.5)         | -                         | -             | -                         | (0.5)         |
| <b>December 31, 2013</b>                           |      | <b>432.1</b>  | <b>7.6</b>                | <b>15.0</b>   | <b>0.3</b>                | <b>455.0</b>  |
| <b>Amortization and impairment losses</b>          |      |               |                           |               |                           |               |
| <b>January 1, 2012</b>                             |      | <b>(8.9)</b>  | <b>(0.9)</b>              | <b>(6.6)</b>  | -                         | <b>(16.4)</b> |
| Amortization for the year                          | 4.5  | -             | (1.3)                     | (2.5)         | -                         | (3.8)         |
| Impairment losses                                  | 4.5  | (2.5)         | -                         | -             | -                         | (2.5)         |
| Disposals                                          |      | -             | -                         | 0.1           | -                         | 0.1           |
| Reclassifications                                  |      | -             | (0.2)                     | 0.2           | -                         | -             |
| Effect of movements in exchange rates              |      | (0.3)         | -                         | -             | -                         | (0.3)         |
| <b>December 31, 2012</b>                           |      | <b>(11.7)</b> | <b>(2.4)</b>              | <b>(8.8)</b>  | -                         | <b>(22.9)</b> |
| <b>January 1, 2013</b>                             |      | <b>(11.7)</b> | <b>(2.4)</b>              | <b>(8.8)</b>  | -                         | <b>(22.9)</b> |
| Amortization for the year                          | 4.5  | -             | (1.3)                     | (2.6)         | -                         | (3.9)         |
| Impairment losses                                  | 4.5  | (5.9)         | -                         | -             | -                         | (5.9)         |
| Disposals                                          |      | -             | -                         | 0.3           | -                         | 0.3           |
| Effect of movements in exchange rates              |      | 0.2           | -                         | -             | -                         | 0.2           |
| <b>December 31, 2013</b>                           |      | <b>(17.4)</b> | <b>(3.7)</b>              | <b>(11.1)</b> | -                         | <b>(32.2)</b> |
| <b>Carrying amounts</b>                            |      |               |                           |               |                           |               |
| <b>January 1, 2012</b>                             |      | <b>288.2</b>  | <b>6.5</b>                | <b>6.0</b>    | <b>0.3</b>                | <b>301.0</b>  |
| <b>December 31, 2012</b>                           |      | <b>288.4</b>  | <b>5.2</b>                | <b>4.4</b>    | <b>0.2</b>                | <b>298.2</b>  |
| <b>December 31, 2013</b>                           |      | <b>414.7</b>  | <b>3.9</b>                | <b>3.9</b>    | <b>0.3</b>                | <b>422.8</b>  |

The net balance of reclassifications relates to assets which were classified as assets under construction in tangible fixed assets.

**Amortization and impairment charge**

Amortization and impairment losses are recognized in depreciation, amortization and impairment expense in the income statement.

**Impairment testing for cash-generating units containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the business units of the Group, being the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

|                    | 2013         | 2012         |
|--------------------|--------------|--------------|
| <i>EUR million</i> |              |              |
| Benelux            | 93.7         | 93.7         |
| France             | 81.6         | 65.9         |
| Germany            | 39.8         | 39.8         |
| Iberia             | 35.7         | 35.7         |
| Poland             | 22.0         | 14.4         |
| UK                 | 111.5        | 2.5          |
| Finland            | 5.4          | 11.3         |
| Italy              | 25.0         | 25.1         |
|                    | <b>414.7</b> | <b>288.4</b> |

The goodwill arising from the business combination with Gerber Emig has been allocated to the UK (EUR 109 million), Poland (EUR 7.8 million) and France (EUR 15.7 million), based on expected profitability and synergies.

The recoverable amounts of the cash-generating units are based on value-in-use calculations. Value-in-use was determined by discounting the future pre-tax cash flows generated from the continuing use of the unit using a pre-tax discount rate and was based on the following key assumptions:

- Cash flows were projected based on the current operating results, the budget for 2014 approved by the Executive and Supervisory Board, the 3-year business plan covering the period 2014-2016 and expected synergies from the merger. Future cash flows beyond this period were extrapolated using a growth rate which is based on the growth expectations of the private label segment in the total local market. These growth expectations are retrieved from researches from independent external sources. The growth rates are in a range of 1% to 1.5% and are considered conservative taking into account the expected private label market development. The company takes into account production efficiency improvements, waste reduction and cost reduction programs currently started, which will contribute positive to the future cash flows. Management believes that this forecast period was appropriate to the long-term nature of the business.
- A pre-tax discount rate is based on credit risk per country, a weighted average cost of capital applicable to the industry and the applicable tax rate per cash generating unit. Compared to last year differences between business units increased as result of more detailed approach.

| Pre-tax WACC | 2013 | 2012 |
|--------------|------|------|
| %            |      |      |
| Benelux      | 10.1 | 9.3  |
| France       | 12.4 | 11.3 |
| Germany      | 10.3 | 10.0 |
| Iberia       | 15.2 | 12.9 |
| Italy        | 14.4 | 12.1 |
| Poland       | 11.7 | 9.9  |
| UK           | 12.3 | 9.2  |
| Finland      | 10.9 | 9.3  |

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources (historical data). The recoverable amounts of the units were determined to be higher than their carrying values and accordingly no impairment charges have been recognized.

In 2013 impairment on goodwill related to Finland was recorded of EUR 5.9 million due to lower expectations of future developments. In 2012 EUR 2.5 million was impaired on goodwill in the UK.

#### ***Sensitivity analysis***

If the undiscounted cash flow per cash-generating unit had been 10% lower than management's estimates, that would have led to an additional reduction of the book value of goodwill at December 31, 2013 in Finland (EUR 1.6 million), Iberia (EUR 6.1 million) and Poland (EUR 1.9 million). If the estimated post-tax discount rate applied to calculate the present value of future cash flows had been 100bp higher than management's estimates, then that would have led to an additional reduction of the book value of goodwill per December 31, 2013 in Finland (EUR 2.0 million), Iberia (EUR 5.4 million), Germany (EUR 2.8 million) and Poland (EUR 2.6 million). The sensitivity analysis for the other cash-generating units did not result in additional impairments.

### **5.3 Other investments**

#### ***Non-current investments***

|                                           | 2013       | 2012       |
|-------------------------------------------|------------|------------|
| <i>EUR million</i>                        |            |            |
| Deposits and other financial fixed assets | 5.9        | 3.9        |
|                                           | <b>5.9</b> | <b>3.9</b> |

The amount includes a credit facility granted to the executive board of EUR 2.1 million with at arm's length conditions.

**Current investments**

|                                               | 2013       | 2012       |
|-----------------------------------------------|------------|------------|
| <i>EUR million</i>                            |            |            |
| Derivatives used for foreign currency hedging | 0.2        | 0.3        |
|                                               | <b>0.2</b> | <b>0.3</b> |

The exposure to credit, currency and interest rate risks related to other investments is disclosed in note 3.

**5.4 Deferred income tax assets and liabilities**

The deferred tax assets and liabilities are related to the following account balances:

|                                                                  | <b>Assets</b> |             | <b>Liabilities</b> |               | <b>Net</b>    |               |
|------------------------------------------------------------------|---------------|-------------|--------------------|---------------|---------------|---------------|
|                                                                  | <b>2013</b>   | <b>2012</b> | <b>2013</b>        | <b>2012</b>   | <b>2013</b>   | <b>2012</b>   |
| <i>EUR million</i>                                               |               |             |                    |               |               |               |
| Property plant and equipment                                     | 2.4           | -           | (40.1)             | (33.7)        | (37.7)        | (33.7)        |
| Intangible assets                                                | 3.1           | 3.8         | (1.0)              | (0.1)         | 2.1           | 3.7           |
| Inventories                                                      | 0.7           | -           | -                  | -             | 0.7           | -             |
| Trade and other receivables                                      | 0.7           | 0.7         | (0.4)              | (0.2)         | 0.3           | 0.5           |
| Loans and borrowings                                             | 1.1           | 1.7         | (0.2)              | (1.3)         | 0.9           | 0.4           |
| Derivatives                                                      | 1.5           | 2.7         | (1.0)              | -             | 0.5           | 2.7           |
| Employee benefits provision                                      | 4.8           | 2.4         | (0.1)              | -             | 4.7           | 2.4           |
| Other provisions                                                 | 0.3           | 0.1         | -                  | -             | 0.3           | 0.1           |
| Current liabilities                                              | 5.2           | 1.9         | (0.7)              | (0.7)         | 4.5           | 1.2           |
| <b>Deferred tax assets / (liabilities)</b>                       | <b>19.8</b>   | <b>13.3</b> | <b>(43.5)</b>      | <b>(36.0)</b> | <b>(23.7)</b> | <b>(22.7)</b> |
| Tax loss carry-forwards                                          |               |             |                    |               | 17.4          | 18.0          |
| <b>Net Tax assets / (liabilities)</b>                            |               |             |                    |               | <b>(6.3)</b>  | <b>(4.7)</b>  |
| Deferred tax to be recovered (settled) after more than 12 months |               |             |                    |               | 20.8          | 11.7          |
| Deferred tax asset on balance sheet                              |               |             |                    |               | 9.5           | 11.1          |
| Deferred tax liability on balance sheet                          |               |             |                    |               | (15.8)        | (15.8)        |
| <b>Net deferred tax assets / (liabilities)</b>                   |               |             |                    |               | <b>(6.3)</b>  | <b>(4.7)</b>  |

On the balance sheet deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

| <b>Movement 2013</b>                       | <b>January 1,<br/>2013</b> | <b>Recognized<br/>in profit<br/>or loss</b> | <b>Recognized<br/>in OCI/<br/>Equity</b> | <b>Acquired in<br/>business<br/>combinations</b> | <b>Effect of<br/>movement in<br/>exchange rates</b> | <b>December 31,<br/>2013</b> |
|--------------------------------------------|----------------------------|---------------------------------------------|------------------------------------------|--------------------------------------------------|-----------------------------------------------------|------------------------------|
| <i>EUR million</i>                         |                            |                                             |                                          |                                                  |                                                     |                              |
| Property plant and equipment               | (33.7)                     | 6.9                                         | -                                        | (11.4)                                           | (0.1)                                               | (38.3)                       |
| Intangible assets                          | 3.7                        | (1.9)                                       | -                                        | 0.3                                              | -                                                   | 2.1                          |
| Inventories                                | -                          | 0.7                                         | -                                        | -                                                | 0.0                                                 | 0.7                          |
| Trade and other receivables                | 0.5                        | (0.2)                                       | -                                        | 0.1                                              | -                                                   | 0.4                          |
| Loans and borrowings                       | 0.4                        | 1.3                                         | 0.2                                      | (1.0)                                            | -                                                   | 0.9                          |
| Derivatives                                | 2.7                        | (2.7)                                       | (0.8)                                    | 1.3                                              | -                                                   | 0.5                          |
| Employee benefits provision                | 2.4                        | (0.3)                                       | 2.1                                      | 0.5                                              | -                                                   | 4.7                          |
| Other provisions                           | 0.1                        | (0.2)                                       | -                                        | 0.4                                              | -                                                   | 0.3                          |
| Current liabilities                        | 1.2                        | 3.7                                         | 0.1                                      | -                                                | -                                                   | 5.0                          |
| <b>Deferred tax assets / (liabilities)</b> | <b>(22.7)</b>              | <b>7.3</b>                                  | <b>1.6</b>                               | <b>(9.8)</b>                                     | <b>(0.1)</b>                                        | <b>(23.7)</b>                |
| Tax loss carry-forwards                    | 18.0                       | (2.1)                                       | -                                        | 1.5                                              | -                                                   | 17.4                         |
| <b>Net Tax assets / (liabilities)</b>      | <b>(4.7)</b>               | <b>5.2</b>                                  | <b>1.6</b>                               | <b>(8.3)</b>                                     | <b>(0.1)</b>                                        | <b>(6.3)</b>                 |

| <b>Movement 2012</b>                       | <b>January 1,<br/>2012</b> | <b>Recognized<br/>in profit<br/>or loss</b> | <b>Recognized<br/>in OCI/<br/>Equity</b> | <b>Acquired in<br/>business<br/>combinations</b> | <b>Effect of<br/>movement in<br/>exchange rates</b> | <b>December 31,<br/>2012</b> |
|--------------------------------------------|----------------------------|---------------------------------------------|------------------------------------------|--------------------------------------------------|-----------------------------------------------------|------------------------------|
| <i>EUR million</i>                         |                            |                                             |                                          |                                                  |                                                     |                              |
| Property plant and equipment               | (34.9)                     | 1.5                                         | -                                        | (0.3)                                            | -                                                   | (33.7)                       |
| Intangible assets                          | 1.8                        | 1.9                                         | -                                        | -                                                | -                                                   | 3.7                          |
| Inventories                                | 0.1                        | (0.1)                                       | -                                        | -                                                | -                                                   | -                            |
| Trade and other receivables                | (1.1)                      | 1.6                                         | -                                        | -                                                | -                                                   | 0.5                          |
| Loans and borrowings                       | (1.2)                      | 1.6                                         | -                                        | -                                                | -                                                   | 0.4                          |
| Derivatives                                | 3.1                        | (0.8)                                       | 0.4                                      | -                                                | -                                                   | 2.7                          |
| Employee benefits provision                | 0.8                        | 0.5                                         | 0.9                                      | -                                                | 0.2                                                 | 2.4                          |
| Other provisions                           | 1.6                        | (1.5)                                       | -                                        | -                                                | -                                                   | 0.1                          |
| Current liabilities                        | (0.4)                      | 0.1                                         | 1.4                                      | -                                                | 0.1                                                 | 1.2                          |
| <b>Deferred tax assets / (liabilities)</b> | <b>(30.2)</b>              | <b>4.8</b>                                  | <b>2.7</b>                               | <b>(0.3)</b>                                     | <b>0.3</b>                                          | <b>(22.7)</b>                |
| Tax loss carry-forwards                    | 15.2                       | 2.7                                         | -                                        | -                                                | 0.1                                                 | 18.0                         |
| <b>Net Tax assets / (liabilities)</b>      | <b>(15.0)</b>              | <b>7.5</b>                                  | <b>2.7</b>                               | <b>(0.3)</b>                                     | <b>0.4</b>                                          | <b>(4.7)</b>                 |

**Tax losses carry-forwards**

The Group recognizes deferred tax assets on loss carry forwards when future taxable profits are expected that can be offset with these losses. These loss carry forwards amount to EUR 123.4 million (2012: EUR 115.8 million) as per December 31, 2013, of which EUR 42.0 million (2012: EUR 22.1 million) is not recognized. The deferred tax assets related to loss carry forwards expire in the following years:

|                                         | 2013        | 2012        |
|-----------------------------------------|-------------|-------------|
| <i>EUR million</i>                      |             |             |
| 2014                                    | -           | 0.5         |
| 2015                                    | 0.5         | 0.0         |
| After 2015 but not Unlimited            | 10.2        | 6.1         |
| Unlimited                               | 15.6        | 17.3        |
|                                         | <b>26.3</b> | <b>23.9</b> |
| Recognized as deferred tax assets (net) | 17.4        | 18.0        |
| Unrecognized                            | 8.9         | 5.9         |

The increase in the deferred tax assets related to loss carry forwards is due to additional losses in Iberia and Italy. The unrecognized losses are fully attributable to the UK for which the Group does not expect future taxable profits that can be offset within a reasonable timeframe.

**5.5 Inventories**

|                                        | 2013         | 2012         |
|----------------------------------------|--------------|--------------|
| <i>EUR million</i>                     |              |              |
| Stock of raw materials and consumables | 129.1        | 89.6         |
| Stock of finished goods                | 85.1         | 60.1         |
|                                        | <b>214.2</b> | <b>149.7</b> |

Inventory is shown net of a provision for obsolescence of EUR 10.0 million (2012: EUR 5.6 million).

## 5.6 Trade and other receivables

|                                                   |              | 2013         | 2012         |
|---------------------------------------------------|--------------|--------------|--------------|
| <i>EUR million</i>                                |              |              |              |
|                                                   | <b>Note</b>  |              |              |
| Trade receivables                                 |              | 320.8        | 234.2        |
| Other receivables, prepayments and accrued income |              | 19.7         | 9.7          |
| Other taxes and social security premiums          |              | 9.7          | 11.6         |
|                                                   | <b>3.1.1</b> | <b>350.2</b> | <b>255.5</b> |
| Non-current                                       |              | -            | -            |
| Current                                           |              | 350.2        | 255.5        |

The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 3.

## 5.7 Cash and cash equivalents

|                                                                          |             | 2013        | 2012        |
|--------------------------------------------------------------------------|-------------|-------------|-------------|
| <i>EUR million</i>                                                       |             |             |             |
|                                                                          | <b>Note</b> |             |             |
| Bank balances                                                            |             | 86.1        | 92.8        |
| Deposits                                                                 |             | -           | 2.5         |
| <b>Cash and cash equivalents</b>                                         |             | <b>86.1</b> | <b>95.3</b> |
| Bank overdrafts (included in loans and borrowings)                       | 5.10        | (0.6)       | -           |
| <b>Cash and cash equivalents in the consolidated cash flow statement</b> |             | <b>85.5</b> | <b>95.3</b> |

Total amount blocked for bank guarantees or issued letters of credits is EUR 7.6 million (2012: EUR 2.4 million).  
The term of the deposits is less than 6 months.

The exposure to interest rate risk and the sensitivity analysis for financial assets and liabilities are disclosed in note 3.1.3.



## 5.8 Non-current assets and liabilities held for sale and discontinued operations

|                                         | 2013       | 2012     |
|-----------------------------------------|------------|----------|
| <i>EUR million</i>                      |            |          |
| Assets classified as held for sale      | 6.7        | -        |
| Liabilities classified as held for sale | (2.1)      | -        |
| <b>Net balance</b>                      | <b>4.6</b> | <b>-</b> |

The assets held for sale end of 2013 consist of property, plant and equipment in Waibstadt. The former Gerber Emig plant in Waibstadt will be sold following the conditions for approval by the European Competition Commission for the merger. The liabilities held for sale relates to a financial lease obligation for Waibstadt. The completion date for the transaction of Waibstadt is expected in the second quarter of 2014.

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell of EUR 4.6 million. These level 3 fair values are based on non-binding offers obtained in the sales process of the plant.

The movement of assets and liabilities held for sale is as follows:

|                                                    | 2013       | 2012     |
|----------------------------------------------------|------------|----------|
| <i>EUR million</i>                                 |            |          |
| Assets classified as held for sale as at January 1 | -          | 2.6      |
| Transfer from / (to) property, plant and equipment | -          | (1.1)    |
| Acquired through business combination              | 6.7        | -        |
| Assets sold                                        | -          | (1.5)    |
| <b>Assets held for sale</b>                        | <b>6.7</b> | <b>-</b> |

|                                                         | 2013       | 2012     |
|---------------------------------------------------------|------------|----------|
| <i>EUR million</i>                                      |            |          |
| Liabilities classified as held for sale as at January 1 | -          | -        |
| Transfer from / (to) property, plant and equipment      | -          | -        |
| Acquired through business combination                   | 2.1        | -        |
| Change in fair value liabilities held for sale          | -          | -        |
| Liabilities sold                                        | -          | -        |
| <b>Liabilities held for sale</b>                        | <b>2.1</b> | <b>-</b> |

The result of Waibstadt and the allocated overhead costs for 2013 have been included in discontinued operations. Analysis of the result of discontinued operations and the result recognized on the re-measurement of assets or disposal group is as follows:

|                                                                                           | 2013         | 2012     |
|-------------------------------------------------------------------------------------------|--------------|----------|
| <i>EUR million</i>                                                                        |              |          |
| Revenue                                                                                   | 18.7         | -        |
| Expenses                                                                                  | (18.8)       | -        |
| <b>Profit/(loss) before tax of discontinued operations</b>                                | <b>(0.1)</b> | <b>-</b> |
| Tax                                                                                       | -            | -        |
| <b>Profit/(loss) after tax of discontinued operations</b>                                 | <b>(0.1)</b> | <b>-</b> |
| Pre-tax gain/(loss) recognized on the re-measurement of assets of disposal group          | -            | -        |
| Tax                                                                                       | -            | -        |
| <b>After tax gain/(loss) recognized on the re-measurement of assets of disposal group</b> | <b>(0.1)</b> | <b>-</b> |
| <b>Profit/(loss) for the year from discontinued operations</b>                            | <b>(0.1)</b> | <b>-</b> |

## 5.9 Equity

### Share capital

The ordinary shares, shares A and shares B have been replaced by ordinary shares A, A1A, A1B and A2. On November 11, 2013 the Group merged with Gerber Emig by issuance of the ordinary B and B1 shares to Tamoa Ltd., the former shareholder of Gerber Emig.

Share capital as at December 31, 2013 consists of:

- 430,733,300 ordinary shares A with a nominal value of EUR 0.01 each
- 64,800 ordinary shares A1A with a nominal value of EUR 0.01 each
- 21,161 ordinary shares A1B with a nominal value of EUR 0.01 each
- 1 ordinary share A2 with a nominal value of EUR 0.01 each
- 163,381,597 ordinary shares B with a nominal value of EUR 0.01 each
- 1 ordinary share B1 with a nominal value of EUR 0.01 each

Share capital as at December 31, 2012 consists of:

- 4,307,333 ordinary shares with a nominal value of EUR 1.00 each
- 64,800 ordinary shares A with a nominal value of EUR 0.01 each
- 21,161 ordinary shares B with a nominal value of EUR 0.01 each

The holders of the A2 and B1 ordinary shares are entitled to receive dividends as declared and approved by the General Meeting of Shareholders. Out of the profits earned in a financial year, in so far as possible, a preferred dividend shall accrue on each A1A and A1B ordinary shares respectively in the amount of 10% per annum on the total amounts invested on such shares, and the holders thereof are also entitled to a preferred distribution in case of liquidation out of the balance remaining following payment of the debts of the dissolved company. Any residual balance will be distributed to holders of the ordinary shares. Both the Company and the shareholders have agreed in the Articles of Association that any distribution of dividend is discretionary to the Company and requires the prior approval of the General Meeting of Shareholders. The meeting of class A1A and the meeting of class A1B ordinary shares respectively may resolve that any dividend to which they are entitled shall be credited to a dividend reserve maintained by the Company with respect to such shares. Each class A1A, A1B and B ordinary share carries the right to one vote, the class A2 ordinary share carries the right to 118,003,921 votes, and the class B1 ordinary shares carries the right to 44,792,714 votes. The Company can acquire any fully paid-up shares in its own capital subject to among others the General Meeting of Shareholders having authorized the acquisition in accordance with the Articles of Association.

**Share premium**

On November 11, 2013 the Group merged with Gerber Emig by issuance of new shares.

|                                        | 2013         | 2012         |
|----------------------------------------|--------------|--------------|
| <i>EUR million</i>                     |              |              |
| Share premium as at January 1          | 259.8        | 259.8        |
| Issuance of new shares to Tamoa Ltd.   | 180.9        | -            |
| <b>Share premium as at December 31</b> | <b>440.7</b> | <b>259.8</b> |

**Other reserves**

The other reserves consist of translation reserves and hedging reserves. The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations of the Group. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred.

The movement of the other reserves is as follows:

| Other reserves                                | Hedge reserve<br>Interest<br>rate swaps | Hedge reserve<br>FX<br>instruments | Currency<br>translation<br>reserve | Actuarial<br>gains<br>and losses<br>on pensions | Total         | Non<br>controlling<br>interest | Total<br>Other<br>reserves |
|-----------------------------------------------|-----------------------------------------|------------------------------------|------------------------------------|-------------------------------------------------|---------------|--------------------------------|----------------------------|
| <i>EUR million</i>                            |                                         |                                    |                                    |                                                 |               |                                |                            |
| <b>Balance as at January 1, 2012</b>          | <b>(4.4)</b>                            | <b>4.3</b>                         | <b>(3.2)</b>                       | <b>-</b>                                        | <b>(3.3)</b>  | <b>-</b>                       | <b>(3.3)</b>               |
| Change of accounting principles IAS 19 R      | -                                       | -                                  | -                                  | (1.2)                                           | (1.2)         | -                              | (1.2)                      |
| <b>Restated balance as at January 1, 2012</b> | <b>(4.4)</b>                            | <b>4.3</b>                         | <b>(3.2)</b>                       | <b>(1.2)</b>                                    | <b>(4.5)</b>  | <b>-</b>                       | <b>(4.5)</b>               |
| Changes in cashflow hedge                     | (1.7)                                   | (6.8)                              | -                                  | -                                               | (8.5)         | -                              | (8.5)                      |
| Translation results                           | -                                       | -                                  | 4.1                                | -                                               | 4.1           | -                              | 4.1                        |
| Employee benefits mutation                    | -                                       | -                                  | -                                  | (3.8)                                           | (3.8)         | -                              | (3.8)                      |
| Tax                                           | 0.4                                     | 1.7                                | (0.3)                              | 0.9                                             | 2.7           | -                              | 2.7                        |
| <b>December 31, 2012</b>                      | <b>(5.7)</b>                            | <b>(0.8)</b>                       | <b>0.6</b>                         | <b>(4.1)</b>                                    | <b>(10.0)</b> | <b>-</b>                       | <b>(10.0)</b>              |
| <b>Balance as at January 1, 2013</b>          | <b>(5.7)</b>                            | <b>(0.8)</b>                       | <b>0.6</b>                         | <b>(4.1)</b>                                    | <b>(10.0)</b> | <b>-</b>                       | <b>(10.0)</b>              |
| Changes in cashflow hedge                     | 3.5                                     | (0.1)                              | (1.2)                              | -                                               | 2.2           | -                              | 2.2                        |
| Translation results                           | -                                       | -                                  | -                                  | -                                               | -             | -                              | -                          |
| Employee benefits mutation                    | -                                       | -                                  | -                                  | (8.2)                                           | (8.2)         | -                              | (8.2)                      |
| Tax                                           | (0.8)                                   | 0.0                                | 0.2                                | 2.1                                             | 1.5           | -                              | 1.5                        |
| <b>December 31, 2013</b>                      | <b>(3.0)</b>                            | <b>(0.9)</b>                       | <b>(0.4)</b>                       | <b>(10.2)</b>                                   | <b>(14.5)</b> | <b>-</b>                       | <b>(14.5)</b>              |

**Retained earnings**

The loss of 2012 has been added to the retained earnings.

**Dividends**

In 2013 no dividends were paid. As at December 31, 2013, the unpaid cumulative dividend on the ordinary shares A and B amounted to EUR 113.0 million (2012: EUR 89.1 million).

**Legal reserves**

There are no legal reserves.

**Non-controlling interest**

The Group owns 90% of Emig GmbH which is included in the consolidated financial statements. The other 10% is held by Okil Holding B.V., a shareholder of the Group.

|                                                   | 2013       | 2012     |
|---------------------------------------------------|------------|----------|
| <i>EUR million</i>                                |            |          |
| Non-controlling interest as at January 1          | -          | -        |
| Business combinations                             | 4.1        | -        |
| Result for the year                               | (0.5)      | -        |
| <b>Non-controlling interest as at December 31</b> | <b>3.6</b> | <b>-</b> |

**5.10 Loans and borrowings**

The interest-bearing loans and borrowings are recognized at amortized cost. The exposure to interest rate, foreign currency and liquidity risks is disclosed in note 3.1.

**Non-current liabilities**

|                                                      | 2013         | 2012         |
|------------------------------------------------------|--------------|--------------|
| <i>EUR million</i>                                   |              |              |
| Notes issues (Eurobond on Luxembourg Stock Exchange) | 652.5        | 651.0        |
| Revolving credit facility                            | 98.5         | -            |
| Mortgage loan                                        | 31.0         | -            |
| Finance lease liabilities                            | 2.6          | 4.5          |
|                                                      | <b>784.6</b> | <b>655.5</b> |

The nominal value of notes issued is EUR 660.0 million (2012: 660.0 million).

**Current liabilities**

|                                              |             | 2013       | 2012       |
|----------------------------------------------|-------------|------------|------------|
| <i>EUR million</i>                           | <b>Note</b> |            |            |
| Current portion of finance lease liabilities |             | 4.1        | 2.8        |
| Current portion of mortgage loan             |             | 2.9        | -          |
| Bank overdrafts                              | 5.7         | 0.6        | -          |
|                                              |             | <b>7.6</b> | <b>2.8</b> |

The terms and conditions of the outstanding loans and notes are as follows:

|                                           | Currency | Nominal interest rate | Repayment | Face value 2013 | Carrying amount 2013 | Face value 2012 | Carrying amount 2012 |
|-------------------------------------------|----------|-----------------------|-----------|-----------------|----------------------|-----------------|----------------------|
| <i>EUR million</i>                        |          | %                     |           |                 |                      |                 |                      |
| Floating rate senior secured Notes        | EUR      | 3M Euribor + 4.0      | 2018      | 300.0           | 296.6                | 300.0           | 295.9                |
| Fixed rate senior secured Notes           | EUR      | 7.375                 | 2018      | 360.0           | 355.9                | 360.0           | 355.1                |
| Revolving credit facility                 | EUR      | 3M Euribor + 3.0      | 2017      | 100.0           | 98.5                 | -               | -                    |
| Mortgage loan                             | GBP      | 3M GBP Libor + 0.75   | 2036      | 39.0            | 33.9                 | -               | -                    |
| Finance lease liabilities                 | EUR/GBP  | Various               | Various   | 6.7             | 6.7                  | 7.3             | 7.3                  |
| <b>Total interest-bearing liabilities</b> |          |                       |           | <b>805.7</b>    | <b>791.6</b>         | <b>667.3</b>    | <b>658.3</b>         |

On May 16, 2011 the Group issued EUR 360 million in aggregate principal amount of 7.375 % senior secured notes due 2018 (the Fixed Rate Notes) and EUR 300 million in aggregate principal amount of senior secured floating rate notes due 2018 (the Floating Rate Notes and, together with the Fixed Rate Notes, the Notes). Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed at par on their maturity date, May 15, 2018. Loans are subsequently carried at amortized cost using the effective interest method. Interest on the Fixed Rate Notes is payable semi-annually on May 15 and November 15 of each year, commencing on November 15, 2011. The Floating Rate Notes bear interest at a rate per annum, reset quarterly, equal to three-month EURIBOR plus 4.0 %. Interest on the Floating Rate Notes is payable quarterly on February 15, May 15, August 15 and November 15 of each year, commencing on August 15, 2011.

On May 16, 2011 the Group entered into a revolving credit facility agreement (the RCF) with, among others, certain of its subsidiaries as borrowers and/or guarantors, Credit Suisse International, Deutsche Bank AG, London Branch, ABN AMRO Bank N.V., Société Générale, ING Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and Fortis Bank NV/SA, as mandated lead arrangers and original lenders, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as agent and Deutsche Bank AG, London Branch as security agent. In February 2014 ING Bank N.V. sold its part of the facility to HSBC Bank Plc. The RCF provides for borrowings up to an aggregate of EUR 75 million on a committed basis. At November 11, 2013 the RCF has been extended to EUR 150 million. Loans may be borrowed, repaid and borrowed at any time. The maturity date of the RCF is the sixth anniversary of the issuance of the Notes. Interest on the RCF is payable every one, three or six months at the election of the relevant borrower. The RCF bears interest at a rate per annum equal to EURIBOR plus 3.0 % (subject to the operation of a margin ratchet) plus mandatory cost (if any). The costs for maintaining the RCF are 1.2 %. The RCF was drawn for EUR 100.0 million as of November 11, 2013.

The collateral is the same for the Notes as it is for the RCF and comprises (among other things):

- Collateral over the shares of certain subsidiaries of Refresco Gerber B.V.;
- Collateral over majority of bank account receivables, receivables, moveable assets, contract receivables, insurance receivables, intellectual property, real estate, insurance receivables and material intellectual property rights in relation to brands.

#### ***Mortgage loan***

Gerber Emig had a mortgage loan from HSBC Bank Plc for construction of the production site in Bridgwater, UK. The mortgage stayed in place after the merger. The real estate of the production site in Bridgwater is pledged as collateral. Fixed quarterly payment of GBP 0.7 million consists of interest of 3 months GBP Libor plus 0.75% plus MLA costs and remaining part is redemption. Final repayment date of the mortgage is 2036, but with current forward interest rate the mortgage is repaid in 2028. The mortgage has been valued at fair value in the openings balance is valued at amortized costs afterwards. Details of the fair value are included in note 6.1.

#### ***Finance lease liabilities***

Finance lease liabilities relate mainly to a warehouse and an office building in France and production equipment in Germany (PET line). For the nominal value and cash outflow a references is made to note 3.1.2.

## 5.11 Employee benefits provision

The Group contributes to a number of defined benefit plans that provide pension benefits to employees upon retirement in the Netherlands, Germany, Italy and the UK. The amount of the benefits depends on age, salary and years of service. Furthermore, the Group has an indemnity plan in France and obligations for jubilee in the Netherlands, Germany and France.

The amounts recognized for defined benefit plans in the balance sheet are determined as follows:

### December 31, 2013

| <i>EUR million</i>                                     | Pension plan<br>the Netherlands | Pension plan<br>Germany | Pension plan<br>UK | Other      | Total         |
|--------------------------------------------------------|---------------------------------|-------------------------|--------------------|------------|---------------|
| Present value of obligation                            | 47.7                            | 20.8                    | 8.0                | -          | <b>76.5</b>   |
| Fair value of plan assets                              | (41.9)                          | (5.1)                   | (7.5)              | -          | <b>(54.5)</b> |
| <b>Deficit of funded plans</b>                         | <b>5.8</b>                      | <b>15.7</b>             | <b>0.5</b>         | <b>-</b>   | <b>22.0</b>   |
| Present value of unfunded obligations                  | -                               | 4.0                     | -                  | 6.5        | 10.5          |
| <b>Present value of net obligations</b>                | <b>5.8</b>                      | <b>19.7</b>             | <b>0.5</b>         | <b>6.5</b> | <b>32.5</b>   |
| Impact of minimum funding<br>requirement/asset ceiling | -                               | -                       | -                  | -          | -             |
| <b>Present value of net obligations</b>                | <b>5.8</b>                      | <b>19.7</b>             | <b>0.5</b>         | <b>6.5</b> | <b>32.5</b>   |

### December 31, 2012

| <i>EUR million</i>                                     | Pension plan<br>the<br>Netherlands | Pension plan<br>Germany | Pension plan<br>UK | Other      | Total         |
|--------------------------------------------------------|------------------------------------|-------------------------|--------------------|------------|---------------|
| Present value of (partly) funded<br>obligations        | 45.0                               | 16.8                    | 7.4                | -          | <b>69.2</b>   |
| Fair value of plan assets                              | (45.3)                             | (1.9)                   | (7.4)              | -          | <b>(54.6)</b> |
| <b>Deficit of funded plans</b>                         | <b>(0.3)</b>                       | <b>14.9</b>             | <b>-</b>           | <b>-</b>   | <b>14.6</b>   |
| Present value of unfunded obligations                  | -                                  | 4.0                     | -                  | 5.8        | 9.8           |
| <b>Present value of net obligations</b>                | <b>(0.3)</b>                       | <b>18.9</b>             | <b>-</b>           | <b>5.8</b> | <b>24.4</b>   |
| Impact of minimum funding<br>requirement/asset ceiling | 0.3                                | -                       | -                  | -          | <b>0.3</b>    |
| <b>Present value of net obligations</b>                | <b>-</b>                           | <b>18.9</b>             | <b>-</b>           | <b>5.8</b> | <b>24.7</b>   |

Plan assets can be detailed as follows:

|                                    | 2013        | 2012        |
|------------------------------------|-------------|-------------|
| <i>EUR million</i>                 |             |             |
| Equity instruments                 | 3.0         | 2.6         |
| Debt instruments                   | 4.2         | 3.3         |
| Assets held by insurance companies | 47.2        | 46.3        |
| Cash and cash equivalents          | 0.1         | 2.4         |
|                                    | <b>54.5</b> | <b>54.6</b> |

The equity and debt instruments are plan assets with a quoted market price. The pension plan assets do not include the companies own shares or notes.

**Movements in the present value of the defined benefit obligations and plan assets**

| <b>December 31, 2013</b>                                                |                            |               |              |                                                       |              |
|-------------------------------------------------------------------------|----------------------------|---------------|--------------|-------------------------------------------------------|--------------|
| <i>EUR million</i>                                                      | Defined benefit obligation | Plan assets   | Total        | Impact of minimum funding requirement / asset ceiling | Total        |
| <b>Defined benefit obligations as at January 1</b>                      | <b>79.0</b>                | <b>(54.6)</b> | <b>24.4</b>  | <b>0.3</b>                                            | <b>24.7</b>  |
| Current service costs                                                   | 3.3                        | -             | <b>3.3</b>   | -                                                     | <b>3.3</b>   |
| Interest expense/(income)                                               | 3.0                        | (2.1)         | <b>0.9</b>   | -                                                     | <b>0.9</b>   |
| Past service cost and gains and losses on settlements                   | (1.6)                      | -             | <b>(1.6)</b> | -                                                     | <b>(1.6)</b> |
|                                                                         | <b>4.7</b>                 | <b>(2.1)</b>  | <b>2.6</b>   | -                                                     | <b>2.6</b>   |
| Return on plan assets                                                   | -                          | 7.0           | <b>7.0</b>   | -                                                     | <b>7.0</b>   |
| (Gain)/loss from change in demographic assumptions                      | 0.2                        | -             | <b>0.2</b>   | -                                                     | <b>0.2</b>   |
| (Gain)/loss from change in financial assumptions                        | 1.9                        | -             | <b>1.9</b>   | -                                                     | <b>1.9</b>   |
| Experience (gains)/losses                                               | (0.6)                      | -             | <b>(0.6)</b> | -                                                     | <b>(0.6)</b> |
| Change in asset ceiling, excluding amounts included in interest expense | -                          | -             | -            | (0.3)                                                 | <b>(0.3)</b> |
| <b>Total remeasurements</b>                                             | <b>1.5</b>                 | <b>7.0</b>    | <b>8.5</b>   | <b>(0.3)</b>                                          | <b>8.2</b>   |
| Benefits paid by the plan                                               | (1.3)                      | 1.3           | -            | -                                                     | -            |
| Benefit payments from employer                                          | (1.3)                      | 1.3           | -            | -                                                     | -            |
| Employer contributions                                                  | -                          | (4.3)         | <b>(4.3)</b> | -                                                     | <b>(4.3)</b> |
| Plan participants contributions                                         | 0.3                        | (0.3)         | -            | -                                                     | -            |
| Effect of movements in exchange rates                                   | (0.2)                      | 0.4           | <b>0.2</b>   | -                                                     | <b>0.2</b>   |
| Business combinations                                                   | 4.3                        | (3.2)         | <b>1.1</b>   | -                                                     | <b>1.1</b>   |
| <b>Defined benefit obligations as at December 31</b>                    | <b>87.0</b>                | <b>(54.5)</b> | <b>32.5</b>  | -                                                     | <b>32.5</b>  |



The Group offers an average pay defined benefit pension arrangement to a part of employees in the Netherlands. As per January 1, 2014 the annual pension dotation decreased and pensionable age for new pension rights increased from 65 to 67 resulting in a release on past service costs of EUR 1.6 million in 2013.

### December 31, 2012

| <i>EUR million</i>                                                      | Defined benefit obligation | Plan assets   | Total        | Impact of minimum funding requirement / asset ceiling | Total        |
|-------------------------------------------------------------------------|----------------------------|---------------|--------------|-------------------------------------------------------|--------------|
| <b>Defined benefit obligations as at January 1</b>                      | <b>68.2</b>                | <b>(47.1)</b> | <b>21.1</b>  | <b>-</b>                                              | <b>21.1</b>  |
| Current service costs                                                   | 2.3                        | 0.1           | <b>2.4</b>   | -                                                     | <b>2.4</b>   |
| Interest expense/(income)                                               | 3.5                        | (2.5)         | <b>1.0</b>   | -                                                     | <b>1.0</b>   |
| Past service cost and gains and losses on settlements                   | -                          | -             | -            | -                                                     | -            |
|                                                                         | <b>5.8</b>                 | <b>(2.4)</b>  | <b>3.4</b>   | <b>-</b>                                              | <b>3.4</b>   |
| Return on plan assets                                                   | -                          | (3.4)         | <b>(3.4)</b> | -                                                     | <b>(3.4)</b> |
| (Gain)/loss from change in demographic assumptions                      | 0.3                        | -             | <b>0.3</b>   | -                                                     | <b>0.3</b>   |
| (Gain)/loss from change in financial assumptions                        | 2.8                        | -             | <b>2.8</b>   | -                                                     | <b>2.8</b>   |
| Experience (gains)/losses                                               | 3.7                        | -             | <b>3.7</b>   | -                                                     | <b>3.7</b>   |
| Change in asset ceiling, excluding amounts included in interest expense | -                          | -             | -            | 0.3                                                   | <b>0.3</b>   |
| <b>Total remeasurements</b>                                             | <b>6.8</b>                 | <b>(3.4)</b>  | <b>3.4</b>   | <b>0.3</b>                                            | <b>3.7</b>   |
| Benefits paid by the plan                                               | (1.1)                      | 1.1           | -            | -                                                     | -            |
| Benefit payments from employer                                          | (1.1)                      | 1.1           | -            | -                                                     | -            |
| Employer contributions                                                  | -                          | (3.4)         | <b>(3.4)</b> | -                                                     | <b>(3.4)</b> |
| Plan participants contributions                                         | 0.3                        | (0.3)         | -            | -                                                     | -            |
| Effect of movements in exchange rates                                   | 0.1                        | (0.2)         | <b>(0.1)</b> | -                                                     | <b>(0.1)</b> |
| Business combinations                                                   | -                          | -             | -            | -                                                     | -            |
| <b>Defined benefit obligations as at December 31</b>                    | <b>79.0</b>                | <b>(54.6)</b> | <b>24.4</b>  | <b>0.3</b>                                            | <b>24.7</b>  |

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately EUR 31.9 million related to active employees, EUR 24.7 million related to deferred members and EUR 30.4 million related to members in retirement.

### Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

|                                 | 2013 | 2012 |
|---------------------------------|------|------|
| %                               |      |      |
| Discount rate as at December 31 | 3.8  | 3.8  |
| Inflation                       | 2.0  | 2.0  |
| Salary growth rate              | 2.7  | 2.7  |
| Pension growth rate             | 1.0  | 0.9  |

The assumptions do not differ significantly over the different plans and countries. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The assumptions regarding mortality experience are based on actuarial advice and latest available published statistics and mortality tables in each territory. For the Netherlands this was AG Prognose table 2012-2062, for Germany Heubeck 2005G, for France TF/TH 0002, for Italy RG48 and for the UK 105%S1PXA CMI 2010. Expected yields on fixed interest investments are based on gross redemption yields at the end of the reporting period. Expected returns on equity reflect long term real rates of return experienced in the respective market.

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

| December 31, 2013   |                           |                                                     |
|---------------------|---------------------------|-----------------------------------------------------|
|                     | Change in assumption<br>% | Impact on Defined benefit obligation<br>EUR million |
| Discount rate       | +0.25                     | 4.1                                                 |
|                     | -0.25                     | (4.2)                                               |
| Pension growth rate | +0.25                     | 3.1                                                 |
|                     | -0.25                     | (1.7)                                               |
| Salary growth rate  | +0.25                     | 0.6                                                 |
|                     | -0.25                     | (0.6)                                               |
| Life expectancy     | Increase by 1 year        | (2.1)                                               |
|                     | Decrease by 1 year        | 2.0                                                 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The Group expects that contributions to the defined benefit plans will be EUR 4.2 million in 2014 (2013 EUR 3.4 million).

The weighted average duration of the defined benefit obligation is 17.3 years.

Expected maturity analysis of undiscounted pension and other defined benefits:

|                    | Less than<br>one year | Between 1<br>and 2 years | Between 2<br>and 5 years | Over<br>5 years | Total |
|--------------------|-----------------------|--------------------------|--------------------------|-----------------|-------|
| <i>EUR million</i> |                       |                          |                          |                 |       |
| Pensions & other   | 2.6                   | 2.7                      | 9.1                      | 19.1            | 33.5  |

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

- **Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. However, the assets in the Netherlands have duration in line with the liabilities. The Plan in the UK holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if deficits emerge.
- **Changes in bond yields:** The Plan's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Plan holds assets such as equities the value of the assets and liabilities may not move in the same way. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. The pension plan in the Netherlands is an insured plan, but additional pension premiums have to be paid when interest rates are below certain levels.

- **Inflation risk:** Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation or inflation increases are only possible after excessive returns on assets).
- **Life expectancy:** The majority of the Plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.
- The Group operates **unfunded pension and jubilee plans**, where the company meets the benefit payment obligation as it falls due. Future payments depend on salary developments, changes in life expectancy and turnover rates which might result in fluctuations in cashflows.

The Group also facilitates multi-employer plans, in which various employers contribute to one central pension union. In accordance with IAS 19R, as the pension union managing the plan is not able to provide the Group with sufficient information to enable the Group to account for the plan as a defined benefit plan, the Group accounts for its multi-employer defined benefit plan as if it were a defined contribution plan. In case of significant deficit of these plans, the company might be obliged to do additional funding payments, but this did not occur in current year.

## 5.12 Other provisions

|                                       | Restructuring | Other      | Total       |
|---------------------------------------|---------------|------------|-------------|
| <i>EUR million</i>                    |               |            |             |
| <b>January 1, 2013</b>                | <b>2.0</b>    | <b>2.2</b> | <b>4.2</b>  |
| Provisions made during the year       | 14.0          | -          | 14.0        |
| Provisions used during the year       | (4.3)         | (1.1)      | (5.4)       |
| Provisions reversed during the year   | (0.2)         | (0.1)      | (0.3)       |
| Business combinations                 | 3.9           | 0.3        | 4.2         |
| Effect of movements in exchange rates | 0.1           | -          | 0.1         |
| <b>December 31, 2013</b>              | <b>15.5</b>   | <b>1.3</b> | <b>16.8</b> |
| Non-current                           | 3.4           | 0.8        | 4.2         |
| Current                               | 12.1          | 0.5        | 12.6        |

### Restructuring

The provision for restructuring relates to the closure of Heerlen, Durham and several local head offices after the merger. There are no significant uncertainties about the amount or timing of outflow of resources.

### Other provisions

Other provisions include provisions for customer claims and removal of asbestos in Italy and unfavorable contracts recognized in the purchase price allocation of the SDI acquisition in 2010. The non-current part will be utilized within five years.

## 5.13 Trade and other payables

|                                              |              | 2013         | 2012         |
|----------------------------------------------|--------------|--------------|--------------|
| <i>EUR million</i>                           |              |              |              |
|                                              | <b>Note</b>  |              |              |
| Trade accounts payable                       |              | 289.2        | 231.3        |
| Other taxes and social security premiums     |              | 30.3         | 28.5         |
| Other payables, accruals and deferred income |              | 107.9        | 60.6         |
|                                              | <b>3.1.2</b> | <b>427.4</b> | <b>320.4</b> |

The exposure to foreign currency and liquidity risks on trade and other payables is disclosed in note 3.1.2.

## 6 Supplementary Notes

### 6.1 Acquisition of subsidiaries and non-controlling interests

On November 11, 2013 the Group merged with Pride Foods Ltd (“Gerber Emig”). Gerber Emig is a private label manufacturer of fruit juices and carbonated soft drinks and water and has manufacturing sites in Koźmierz (Poland), Le Quesnoy (France), Bridgwater (UK), Waibstadt and Calvörde (Germany). Gerber Emig shareholders own 27.5% of the shares in the new Group and Refresco shareholders own 72.5% of the shares.

The combination creates a compelling industry proposition for retail and branded customers who will benefit from greater scale, a seamless service across geographies and access to a broader portfolio of soft drinks and fruit juices in more markets. The combined business will be well positioned to meet customers’ continuously changing needs and requirements. And, as one company, Refresco Gerber will have greater opportunities to invest in innovation, to achieve growth and to optimize the business.

The goodwill relates to manufacturing synergies from combining operations, purchasing synergies due to economies of scale, and head office synergies.

The Group issued new shares to Tamoia Ltd. with a value of EUR 182.1 million. The Group obtained 100% of the shares of Pride Foods Ltd. for EUR 182.1 million. This excludes 10 percent of shares of Emig GmbH, which is held outside the Group by Okil Holding B.V., a shareholder of Refresco Gerber B.V. In addition to the shares of Pride Foods Ltd, Tamoia Ltd. contributed a receivable on Okil Holding B.V. of EUR 0.4 million, totaling the value of shares issued to EUR 182.5 million. Okil Holding B.V. holds a non-controlling interest of 10 percent in Emig GmbH for tax purposes.

The fair value of the shares issued as part of the consideration paid for Gerber Emig (EUR 182.1 million) was based on the discounted cashflow method, which is an income approach. The consolidated fair value estimate has been based on a sum-of-the parts value analysis of the different cash generating units (“CGU”) of Gerber Emig using a CGU specific discount rate and the 3-year business plan of the combined group including synergies between Refresco and Gerber Emig where applicable. The reasonableness of the outcomes of the fair value analysis of the consideration paid for Gerber Emig has been assessed by performing a shareholder value analysis of Refresco and by comparing the shareholder value of Refresco and the shareholder value of Gerber Emig with the agreed merger exchange ratio. This is a level 3 fair value measurement.

The revolving credit facility has been drawn for EUR 100 million and own cash has been used to repay the existing debt facilities of Gerber Emig of EUR 143.0 million.

The results of Gerber Emig were consolidated in the results of Refresco Gerber B.V. as of November 12, 2013. Gerber Emig contributed EUR 73.4 million of revenue and EUR 1.3 million of net loss during the period November 12, 2013 to December 31, 2013. The Waibstadt manufacturing site and the related finance lease liabilities are classified as held for sale, due to the conditions by the competition authorities. The results of Waibstadt manufacturing site are presented as discontinued operations.

Had the business combination occurred on January 1, 2013 revenue and net loss for the 12-month period ended December 31, 2013 would have amounted to EUR 725.1 million and EUR 0.2 million, respectively.

The following table summarizes the consideration paid for Gerber Emig, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date (provisional purchase price allocation). The resulting accounting estimates will, by definition, seldom equal the related actual results and therefore may cause material adjustment to the carrying amounts of assets and liabilities within 12 months after November 11, 2013.

| Consideration as at November 11        |     |              |
|----------------------------------------|-----|--------------|
| <i>EUR million</i>                     |     |              |
| Shares issued                          | 5.9 | 182.1        |
| Cash                                   |     | -            |
| <b>Total consideration transferred</b> |     | <b>182.1</b> |

| Recognized amounts of identifiable assets acquired and liabilities assumed |             |              |
|----------------------------------------------------------------------------|-------------|--------------|
| <i>EUR million</i>                                                         |             |              |
|                                                                            | <b>Note</b> |              |
| Property, plant and equipment                                              | 5.1         | 165.6        |
| Other intangible fixed assets                                              | 5.2         | 0.7          |
| Financial fixed assets                                                     |             | 0.5          |
| Deferred tax assets                                                        | 5.4         | 0.9          |
| Inventories                                                                |             | 68.8         |
| Trade and other receivables                                                |             | 111.3        |
| Assets held for sale                                                       | 5.8         | 6.7          |
| Cash and cash equivalents & bank overdrafts                                |             | 16.5         |
| Long term debt                                                             |             | (34.3)       |
| Financial lease obligations                                                |             | (1.8)        |
| Provisions                                                                 | 5.10        | (5.2)        |
| Derivatives                                                                |             | (6.5)        |
| Deferred tax liability                                                     | 5.4         | (9.2)        |
| Liabilities held for sale                                                  | 5.8         | (2.1)        |
| Long term loan from Group companies                                        |             | (143.0)      |
| Trade and other payables                                                   |             | (115.2)      |
| <b>Net identifiable assets and liabilities</b>                             |             | <b>53.7</b>  |
| Non-controlling interest                                                   |             | (4.1)        |
| Goodwill                                                                   | 5.2         | 132.5        |
| <b>Total</b>                                                               |             | <b>182.1</b> |

The values of assets, liabilities, and contingent liabilities recognized on acquisition are their estimated fair values.

The fair value of inventory has been determined based on latest sales prices and resulted in a step up of EUR 5.0 million which has been release in the result in 2013 in the raw materials and consumables used.

The fair value of trade and other receivables is EUR 111.3 million and includes trade receivables with a fair value of EUR 103.5 million. The gross contractual amount for trade receivables due is EUR 104.9 million, of which EUR 1.4 million is expected to be uncollectible.

The long term debt mainly consists of a mortgage loan which is valued at fair value in the purchase price allocation process. The fair value is based on discounted cashflow method, taking into account a credit spread of 300bp.

The credit spread is based on a reference portfolio. Redemption is based on the assumption that the Libor rate will equal current rate in remaining years. The fair value adjustment on the mortgage loan is EUR 4.3 million and will be recognized in result based on effective interest rate method.

None of the goodwill recognized is expected to be deductible for income tax.

Acquisition-related costs of EUR 9.3 million have been recognized in the income statement for the year ended December 31, 2013.

On May 29, 2012 our Group company Refresco Poland Sp. z o.o. agreed to purchase 100% of the share capital of Taja Sp. z o.o. The provisional purchase price allocation has not been adjusted in 2013.

## 6.2 Commitments and contingent liabilities

### *Operating lease and rental obligations*

|                            | 2013         | 2012        |
|----------------------------|--------------|-------------|
| <i>EUR million</i>         |              |             |
| Less than one year         | 31.6         | 26.1        |
| Between one and five years | 60.3         | 50.1        |
| More than five years       | 12.5         | 12.4        |
|                            | <b>104.4</b> | <b>88.6</b> |

The Group leases office buildings, warehouses, machinery and equipment and cars. The lease arrangements do not contain any contingent rent or any restrictions related to other financing activities of the Group. During 2013, EUR 26.5 million was recognized as expense in the income statement in respect of operating leases and rentals (2012: EUR 25.8 million).

### *Purchase and investment commitments*

| <i>EUR million</i>                     | Total 2013   | Less than one year | One to five years | More than five years | Total 2012   |
|----------------------------------------|--------------|--------------------|-------------------|----------------------|--------------|
| Property, plant and equipment          | 8.4          | 8.4                | -                 | -                    | 5.2          |
| Raw materials, packaging and utilities | 347.7        | 346.8              | 0.9               | -                    | 244.8        |
|                                        | <b>356.1</b> | <b>355.2</b>       | <b>0.9</b>        | <b>-</b>             | <b>250.0</b> |

### *Contingent liabilities*

Banks have issued guarantees to suppliers and customs on behalf of the Group in the aggregate amount of EUR 5.4 million (2012: EUR 5.4 million).

The Group has several small facilities for issuing letters of credit and local overdraft facilities for cash pool purposes. The Company forms a fiscal unity for income tax purposes with Refresco B.V., Refresco Holding B.V., Refresco Benelux B.V., and Soft Drink International B.V. The Company also forms a fiscal unity for VAT purposes with Refresco Holding B.V. and Refresco B.V. In accordance with the standard conditions, the Company and the subsidiaries that are part of the fiscal unity are jointly and individually liable for taxation payable by the fiscal unity.

A limited number of claims have been filed against the Company and Group companies, which the Company disputes. Although the outcome of these disputes cannot be predicted with any certainty, it is assumed – partly on the basis of legal advice – that these will not have any significant impact on the Company's financial position but could be material to the Company's results of operations in any one accounting period.

### 6.3 Related parties

#### **Shareholder structure**

The Company's shareholders are Ferskur Holding 1 B.V., 3i Investors 1 Sarl, Okil Holding B.V., Godetia II B.V. and Tamoa Ltd. The ultimate shareholders of Ferskur Holding 1 B.V. are Kaupthing HF., Stodir HF and EAB1 Ehf.

#### **Identification of related parties**

The subsidiaries included in note 3.1 of the Company financial statements and above mentioned shareholders are considered to be related parties. Other identified related parties are: Okil Holding GmbH, Refresco KG, Menken Dairy Foods B.V., and members of management of the Group and subsidiaries. The transactions with these related parties relate primarily to the shareholding and debt financing of the Group.

#### **Personnel compensation and transactions with Executive and Supervisory Board Members**

##### **Executive Board personnel compensation**

In addition to their salaries, the Group also provides non-cash benefits to members of the Executive Board and contributes to a post-employment defined benefit plan on their behalf.

In accordance with the terms of the plan, members of the Executive Board retire at age 65.

Compensation of the Executive Board members comprised the following:

|                              | 2013       | 2012       |
|------------------------------|------------|------------|
| <i>EUR million</i>           |            |            |
| Short-term employee benefits | 2.6        | 1.4        |
| Post-employment benefits     | 0.2        | 0.2        |
|                              | <b>2.8</b> | <b>1.6</b> |

The short-term employee benefits include an amount of EUR 0.2 million related to an additional wage tax in the Netherlands, the crisis levy (2012: EUR 0.1 million). The remuneration for Supervisory Board members was EUR 0.4 million (2012: EUR 0.3 million).

#### **Transactions with key management and directors**

The Executive Board members of the Group held (either directly or indirectly) 4.9% of the Company's ordinary shares and 5.3% of the shares of Emig GmbH as a result of the non-controlling interest.

The Group granted the Executive Board a unsecured revolving credit facility of EUR 2.1 million at arm's length conditions to finance investment (indirect) in shares of the company. The loan has no fixed repayment term and bears an interest of 3 months Euribor plus 300bp, which is added to the facility.



## Transactions with related parties

|                                                     | Transaction value |            | Balance outstanding dec-31 |              |
|-----------------------------------------------------|-------------------|------------|----------------------------|--------------|
|                                                     | 2013              | 2012       | 2013                       | 2012         |
| <i>EUR'000</i>                                      |                   |            |                            |              |
| <b>Increase of shareholders' equity / financing</b> |                   |            |                            |              |
| Tamoa Ltd.                                          | 182.5             | -          | -                          | -            |
| Executive board                                     | 2.1               | -          | 2.1                        | -            |
| 3i                                                  | -                 | -          | (0.7)                      | (0.7)        |
| Okil Holding B.V.                                   | -                 | -          | 0.4                        | -            |
| <b>Total</b>                                        | <b>184.6</b>      | <b>-</b>   | <b>1.8</b>                 | <b>(0.7)</b> |
| <b>Management Fees (charged)</b>                    |                   |            |                            |              |
| Ferskur Holding 1 B.V.                              | 0.5               | 0.2        | -                          | (0.1)        |
| 3i                                                  | 0.1               | 0.1        | -                          | -            |
| Stodir HF.                                          | -                 | 0.1        | -                          | -            |
| Executive board                                     | -                 | -          | -                          | 0.1          |
| <b>Total</b>                                        | <b>0.6</b>        | <b>0.4</b> | <b>-</b>                   | <b>-</b>     |

The increase in shareholders' equity relates to business combination with Gerber Emig (EUR 182.1 million) and the contribution of a receivable on Okil Holding B.V. (EUR 0.4 million). The amount should be repaid anytime but latest in 2016. Interest charged is 3 months Euribor plus 300bp and will be added to the loan.

Transactions underlying outstanding balances with these related parties are priced on an arm's length basis and the balances are to be settled in cash within six months of the reporting date. None of the balances is secured.

#### 6.4 Group entities

The overview of the entities of the Group is included in note 3.1 to the Company financial statements.

# Other information

## Provisions in the Articles of Association governing the appropriation of result

The holders of the ordinary shares are entitled to receive dividends as declared from time to time save for the A2 en B1 ordinary shares. Both the Company and the shareholders have agreed in article 23.1 of the Articles of Association that any distribution of dividend is discretionary to the Company and requires the prior approval of the General Meeting of Shareholders.

## Proposal for appropriation of result

The Executive Board proposes to add the net loss to the other reserves as retained earnings. This proposal has not yet been reflected in the financial statements.

## Subsequent events

No material events took place after the close of the year end.

# Independent Auditor's Report

To: the General Meeting of Shareholders of Refresco Gerber B.V.

## Report on the financial statements

We have audited the accompanying financial statements 2013 of Refresco Gerber B.V., Rotterdam as set out on pages 60 to 124. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2013, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

## Executive Board's responsibility

The Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's

preparation and fair presentation of the 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Executive Board, as well as evaluating the overall presentation of the financial statements.

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

## Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Refresco Gerber B.V. as at 31 December 2013, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

## Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Refresco Gerber B.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Executive Board's Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Executive Board's Report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Rotterdam, 20 March 2014  
PricewaterhouseCoopers Accountants N.V.

Fernand Izeboud RA

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