

Press release

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Refresco acquires Cott's bottling activities

Creating the world's largest independent bottler with leadership positions across Europe and North America

Rotterdam, the Netherlands – 25 July, 2017

Strategic highlights:

- Refresco has entered into an agreement with Cott to acquire Cott's bottling activities for USD 1.25 billion (EUR 1.1 billion)¹
 - Transaction unanimously recommended and supported by Refresco's Executive Board and Supervisory Board
- Cott's bottling activities are comprised of a leading beverage platform with a full portfolio of non-alcoholic beverages, focussed on retailer brands and contract manufacturing
 - Profitable business with healthy margins and strong free cash flow; 2016 revenues of USD 1.7 billion, adjusted EBITDA of USD 136.5 million and customer relationships with over 500 leading retailers
- This acquisition is a transformational deal right at the heart of Refresco's buy & build strategy
 - Creating largest independent bottler for retailers and A-brands in Europe and North America with a combined production volume of approximately 12 billion liters
 - Adding 19 production sites in the US, 4 in Canada, 1 in Mexico and 5 in the UK
- Significant synergy potential with around EUR 47 million to be attained within 3 years of closing
- Customers will have access to enhanced global network combining Refresco's strong European capabilities and Cott's strength in North America
 - A well-balanced portfolio with exposure to all categories for retailers
 - Strengthened contract manufacturing exposure with unique geographical spread for branded players

Transaction highlights:

- Refresco will finance the acquisition with debt, for which it has fully underwritten facilities, and intends to bring down leverage over time
 - Refresco intends to issue around EUR 200 million in new shares within 12 months of closing to support its financial strength
- Completion of the transaction envisaged in the second half of 2017
- The transaction is subject to customary conditions, including anti-trust approval in various jurisdictions and Refresco shareholder approval
- Integration will start immediately after closing with the UK, representing around 30% of Cott's business, being integrated into Refresco Europe and the North American organization being combined with Refresco US
- Extraordinary General Meeting of Shareholders to be convened today and held on September 5, 2017

¹ At USD/EUR rate of 1.14. Subject to final adjustments at closing.



Refresco (Euronext Amsterdam: RFRG), an independent bottler of beverages for retailers and A-brands in Europe and the US, today announces the acquisition of the bottling activities of Cott (NYSE: COT, TSX: BCB). Cott is a diversified beverage company and one of the world's largest producers of beverages on behalf of retailers, brand owners and distributors. Its bottling activities, with revenues of approximately USD 1.7 billion, comprise 47% of its total activities. The purchase price is USD 1.25 billion (equal to EUR 1.1 billion²), payable in cash. Included in the purchase price is a tax asset of USD 75 million. Excluding the tax asset, the purchase price represents a multiple of 8.6 times adjusted EBITDA of the bottling activities realized over FY 2016. Post synergies, the purchase multiple comes down to approximately 6 times adjusted EBITDA, in line with the average level realized in previous transactions. The acquisition is expected to be earnings accretive by approximately 5% in the first full year of consolidation.

CEO Refresco, Hans Roelofs: "This transaction marks a step change in the industry that reinforces Refresco's position as a leading independent bottler for retailers and A-brands. Last year in September we acquired Whitlock Packaging, marking our entrance into the North American market and the start of our second platform for growth. This is a truly transformational deal, right at the heart of our buy & build strategy. Being able to acquire Cott's bottling activities is an opportunity we have been studying for the last decade, and today, having grown the company through many successful acquisitions, we have the size, track record and execution power to take this significant leap forward.

"The bottling activities of Cott are a perfect strategic fit to our current activities. With the acquisition we create nationwide coverage in the US, the largest single soft drinks market globally, while adding significant capacity and extending our broad product portfolio in the UK. A total of 29 production sites, producing a volume of over 4 billion liters of products, will be added to our already extensive manufacturing footprint and upon completion, Refresco will produce approximately 12 billion liters for all leading retailers and A-brands.

"Combining these two great companies we add high quality management, employees and assets to the Group and we create a new industry leader with continued potential for further value creation. I am excited about the future ahead."

Jerry Fowden, Cott's CEO: "This transaction provides a unique opportunity for Cott Beverages to become an integral part of a larger beverage manufacturing company creating a business that will have a broader portfolio of products as well as expanded facility capabilities and geographic presence which will create new and exciting opportunities for its employees and customers alike. With the sale of this business we will continue to focus on growing our water, coffee, tea and filtration services businesses."

Strategic rationale: creating the world's largest independent bottler for retailers and A-brands

Refresco acquires the bottling activities of Cott, bundled in the 'Traditional Business' division (TB). Excluded from the acquisition are Cott's branded activities (RCI and its associated concentrate facility (US) and the Aimia Foods division (UK)). The acquired activities comprise a USD 1.7 billion revenue, USD 136.5 million adjusted EBITDA business. It has a resilient financial performance with strong and stable cash flow generation and a focus on higher margin businesses. The acquisition comprises all the hot fill and cold fill activities, across all categories: carbonated soft drinks, juices and juice drinks, sparkling waters, mixers and others.

Cott's TB is a leading bottler of retailer brands and has a rapidly growing contract manufacturing business, representing 86% and 14% of volumes respectively. Cott has strong customer relationships and serves over 500 leading retailers and a growing number of A-brands.

Cott has a fully-integrated and well-established manufacturing footprint with strong R&D capabilities. It offers its customers highly recognized services and operates a high service, low-cost production model. With this acquisition, Refresco's activities in North America will be significantly extended, resulting in national coverage with 22 manufacturing sites in the US, 4 manufacturing sites in Canada and 1 manufacturing site in Mexico. Furthermore, Refresco will have 26 manufacturing sites in continental Europe and 6 manufacturing sites in the UK. A combination of Refresco and the Cott bottling activities enables Refresco to provide retailers and A-brands with enlarged reliable supply chain solutions in Europe and North America.

The Cott bottling activities add new capabilities and expertise as well as the potential to share best practices across the combined activities of Refresco. There is significant synergy potential through scale benefits in raw material and

² At USD/EUR rate of 1.14. Subject to final adjustments at closing.



packaging procurement, the realization of opex and capex efficiencies in footprint, utilization and logistical optimization, as well as benefits from integration and streamlining of the combined organization. As a result of the combination, Refresco anticipates total synergies of EUR 47 million, which are expected to be realized over a three year period.

Financing fully underwritten, Refresco expects a share issue of approximately EUR 200 million

The acquisition financing structure should provide for financial strength and flexibility of the enlarged group after the transaction. Refresco intends to finance the acquisition with debt. To this end, and to refinance existing debts, Refresco has entered into binding facility agreements with its banks.

Upon completion, the leverage ratio is expected to increase to approximately 4.5 times adjusted EBITDA. The strong cash flow generation of the combined business, as well as Refresco's track record of disciplined deleveraging, enables the company to bring the leverage ratio down to around 3.5 within 2 years' time.

Within 12 months of closing, Refresco intends to issue new ordinary shares to raise around EUR 200 million to further support the financial strength of Refresco and its capabilities to continue the buy and build strategy. At the AGM held in May of this year, Refresco received authorization from its shareholders to issue shares and/or grant rights to subscribe for shares, up to (i) a maximum of 10% of the total number of shares outstanding, and (ii) an additional maximum of 10% of the total number of issued shares outstanding in the event of or in connection with mergers, acquisitions and/or strategic alliances. The total share issue will stay within the authorization of 20% of the issued shares outstanding as received from the shareholders.

Conditions and next steps

The definitive terms and conditions of the transaction have been fully negotiated. Completion of the transaction is subject to customary closing conditions such as regulatory approvals, Refresco's shareholder approval and the absence of material adverse changes. Refresco does not anticipate any significant antitrust issues and will start the process to obtain approval from the UK competition authority (CMA) and the relevant competition authorities in both the US and Canada. Refresco will seek to get competition clearance as soon as is practicable. If the agreement is terminated due to failure to obtain shareholder approval for the required resolution, Refresco will owe Cott a termination fee of 1.6% and an additional 1% in the event of a change of ownership.

The transaction will be put before Refresco's shareholders during an Extraordinary General Meeting of Shareholders (EGM), to be held on September 5, 2017. The EGM has been convened in the usual manner today. The agenda, as well as a shareholder circular with more information on the transaction, is available on the corporate website.

The transaction is anticipated to be completed in the second half of 2017, provided the resolution has been adopted and the other conditions have been satisfied. Integration into one corporate structure per geography will be initiated following the completion of the transaction.

Transaction advisors

In connection with the transaction, J.P. Morgan Securities plc. has acted as Refresco's M&A advisors, KPMG as its financial and tax advisors and Nixon Peabody LLP and Allen & Overy LLP as its legal counsels.

Media call

Refresco will host a media call today, July 25, 2017, at 09:00am CET, which can be accessed as follows:

Netherlands: +31 (0)20 703 8261

UK: +44 (0)330 336 9412

USA: +1 719 457 1036

Conference ID: 7772662

Analyst call & webcast

Refresco will host an analyst call today, July 25, 2017, at 10:00am CET, which can be accessed as follows:

Netherlands: +31 (0)20 721 9251

UK: +44 (0)330 336 9105

USA: +1 719 457 2086

Conference ID: 7161678



The analyst call will be a live audio webcast. You can access the webcast and presentation via <https://www.refresco.com/investors/investor-centre/>. A replay of the call will be available by the end of the day.

Financial calendar 2017

Publication of Q2 and HY 2017 results	August 10, 2017
Publication of Q3 2017 results	November 9, 2017

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About Refresco

Refresco (Euronext: RFRG) is the leading independent bottler of soft drinks and fruit juices for retailers and A-brands with production in the Benelux, Finland, France, Germany, Italy, Poland, Spain, the UK and the US. The company realized in 2016 full year volumes and revenue of circa 6.5 billion liters and circa €2.1 billion, respectively. Refresco offers an extensive range of product and packaging combinations from 100% fruit juices to carbonated soft drinks and mineral waters in carton, PET, Aseptic PET, cans and glass. Focused on innovation, Refresco continuously searches for new and alternative ways to improve the quality of its products and packaging combinations in line with consumer and customer demand, environmental responsibilities and market demand. Refresco is headquartered in Rotterdam, the Netherlands and has about 5,500 employees.

About Cott

Cott is a diversified beverage company with a leading volume-based national presence in the North America and European home and office bottled water delivery industry, a leader in custom coffee roasting and blending of iced tea for the U.S. foodservice industry, and one of the world's largest producers of beverages on behalf of retailers, brand owners, and distributors. Our platform reaches over 2.3 million customers or delivery points across North America and Europe supported by strategically located sales and distribution facilities and fleets, as well as wholesalers and distributors. This enables us to efficiently service residences, businesses, restaurant chains, hotels and motels, small and large retailers, and healthcare facilities. The TB division comprises Cott's bottling activities, focused on production of beverages on behalf of retailers and brand owners, and represents approximately 47% of Cott's net revenues. With 29 production sites, the bottling activities produce a volume of over 4 billion liters per year.

Notes to the press release

This is a public announcement by Refresco N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Refresco Group N.V.