

this Offer expires at 17:40 hours CET on 19 March 2018 unless extended

## OFFER MEMORANDUM

dated 22 January 2018

### RECOMMENDED CASH OFFER

BY

#### SUNSHINE INVESTMENTS B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands)

FOR ALL ISSUED AND OUTSTANDING ORDINARY SHARES IN THE SHARE CAPITAL OF

#### REFRESCO GROUP N.V.



(a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its corporate seat in Rotterdam, the Netherlands)

This offer memorandum (the **Offer Memorandum**) contains the details of the recommended public offer by Sunshine Investments B.V. (the **Offeror**) for all the issued and outstanding shares in the share capital of Refresco Group N.V. (**Refresco** or the **Company**) in consideration of EUR 20 per share (cum dividend).

This Offer Memorandum contains the information required by article 5:76 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) (**Wft**) and sets forth the terms and conditions pursuant to which the Offeror is making a public offer to all holders of issued and outstanding ordinary shares with a nominal value of EUR 0.12 (each the **Shares**, holders of such Shares being referred to as **Shareholders**) in the share capital of Refresco to purchase for cash their Shares on the terms and subject to the conditions and restrictions set forth in this Offer Memorandum (the **Offer**). Capitalised terms used in this Offer Memorandum have the meaning as set out in Section 2 (*Definitions*). As at the date of this Offer Memorandum, 81,160,915 Shares are issued and outstanding and are subject to the Offer.

For each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred (*geleverd*) under the Offer, and which has not been validly withdrawn, subject to the Offeror declaring the Offer unconditional (*gestand doen*), the Offeror offers a cash amount of EUR 20 per Share (cum dividend) without interest and subject to any required withholding of taxes (the **Offer Price**).

Subject to the terms and conditions of this Offer Memorandum, the executive board (*raad van bestuur*) of the Company (the **Executive Board**) and the supervisory board (*raad van commissarissen*) of the Company (the **Supervisory Board**, and together with the Executive Board, the **Boards**) fully support the Offer and the Asset Sale and Liquidation and unanimously (i) recommend the Offer to the Shareholders for acceptance and (ii) recommend the Shareholders to vote in favour of the Resolutions. Reference is made to Section 3.8 (*Decision-making and Recommendation by the Boards*) and the Position Statement (as defined below).

Certain major shareholders of the Company, namely Ferskur Holding 1 B.V., Tamoa Ltd, 3i GC Holdings Ref 1 S.à.r.l. and 3i GC Holdings Ref 2 S.à.r.l (together the **Major Shareholders**) have irrevocably agreed with the Offeror to, on or before the initial Acceptance Closing Time (as defined below), tender all Shares held by them under the Offer and to vote in favour of the Resolutions, subject to customary conditions set out in irrevocable undertakings, including that the Boards continue to recommend the Offer.

In addition, Mr. H. Roelofs (CEO of Refresco) and Mr. A. Duijzer (CFO of Refresco) acting together through OKIL Holding B.V., as well as Mr. V. Delozière (COO Europe of Refresco) and Mr. T. de Kool (a member of the Supervisory Board) have also irrevocably agreed with the Offeror to, on or before the initial Acceptance Closing Time, tender all Shares held by them under the Offer, subject to customary conditions set out in irrevocable undertakings, including that the Boards continue to recommend the Offer.

The irrevocable undertakings jointly represent approximately 26.5% of all issued and outstanding Shares.

The acceptance period under the Offer commences at 09:00 hours CET, on 23 January 2018 and, unless extended, expires at 17:40 hours CET, on 19 March 2018 (the **Acceptance Period**) (such time, as may be extended in accordance with article 15 of the Takeover decree on public offers Wft (*Besluit openbare biedingen Wft*, the **Takeover Decree**) being referred to as the **Acceptance Closing Time** and the day on which the Acceptance Closing Time occurs being referred to as the **Acceptance Closing Date**, as may be extended in accordance with article 15 of the Takeover Decree). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum.

Shares tendered on or prior to the Acceptance Closing Time may not be withdrawn, subject to the right of withdrawal of any tender during the Acceptance Period or an extension thereof in accordance with the provisions of article 15 paragraph 3 of the Takeover Decree.

The Offer is subject to the fulfilment of the Offer Conditions, including, but not limited to, the number of Shares having been tendered for acceptance on the Acceptance Closing Date, together with the Shares directly or indirectly held by the Offeror for its own accounts at the Acceptance Closing Date, representing either (i) at least 95% (ninety five per cent) of the Company's issued and outstanding share capital as at the Acceptance Closing Date or (ii) 80% (eighty per cent) of the Company's issued and outstanding share capital as at the Acceptance Closing Date, provided that the resolutions on the Asset Sale and Liquidation are adopted at the EGM prior to the Acceptance Closing Date and are in full force and effect at the Acceptance Closing Date. The Offeror and the Company each reserve the right to waive certain Offer Conditions to the extent permitted by law and the terms and conditions of the Merger Protocol. See Section 3.9 (*Offer Conditions*).

The Offeror reserves the right to extend the Offer past the Acceptance Closing Time if one or more of the Offer Conditions are not satisfied and have not been waived by the Acceptance Closing Date in accordance with Section 3.9.2 (*Waiver of Offer Conditions*). If the Offer is extended past the initial Acceptance Closing Time, the Offeror will make an announcement to that effect in accordance with the Takeover Decree. See Section 4 (*Invitation to Shareholders*). The provisions of article 15, paragraph 2 of the Takeover Decree require that such an announcement be made within three (3) Business Days following the initial Acceptance Closing Time.

Unless the Acceptance Period is extended, the Offeror will, in accordance with article 16, paragraph 1 of the Takeover Decree, announce on a day within three (3) Business Days following the Acceptance Closing Date if it declares the Offer unconditional (the date on which the Offeror announces that it declares the Offer unconditional being referred to in this Offer Memorandum as the **Unconditional Date**). In such announcement, the Offeror will also confirm the aggregate value, the number and the corresponding percentage of Shares tendered to the Offeror prior to the Acceptance Closing Time.

Announcements stating that the Offeror declares the Offer unconditional and announcements concerning an extension of the Offer past the Acceptance Closing Time will be made by press release, a copy of which will be made available on the Company's website at [www.refresco.com](http://www.refresco.com) (investors section) as well as on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section) and the bcIMC group at [www.bcimc.com](http://www.bcimc.com) (newsroom section) on behalf of the Offeror. See Section 4.13 (*Announcements*).

In the event that the Offeror declares the Offer unconditional, the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred their Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Time will receive on the Settlement Date the Offer Price in respect of each Tendered Share.

Following the Settlement Date, the Offeror may choose to implement the Asset Sale and Liquidation or the Buy-Out if the Asset Sale Range has been reached and in each case in accordance with and subject to the terms set out in this Offer Memorandum.

Neither the U.S. Securities and Exchange Commission (**SEC**) nor any securities commission of any State of the United States has (i) approved or disapproved of the Offer, (ii) passed upon the merits or fairness of the Offer or (iii) passed upon the adequacy or accuracy of the disclosure in this Offer Memorandum. Any representation to the contrary is a criminal offence in the United States.

The information required by article 18, paragraph 2 of the Takeover Decree in connection with the Offer is included in the position statement of the Boards (the **Position Statement**). The Position Statement, including all appendices thereto, does not form part of this Offer Memorandum and has not been reviewed or approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten* or **AFM**) prior to publication. The Position Statement will be reviewed by the AFM after publication.

At 14:00 hours CET on 5 March 2018, such date being at least six (6) Business Days prior to the initial Acceptance Closing Date, an extraordinary general meeting of Shareholders (the **EGM**) will be convened, at which meeting the Offer, among other matters, will be discussed in accordance with article 18, paragraph 1 of the Takeover Decree. In addition, certain resolutions will be proposed to the EGM in connection with the Offer. Reference is made to Section 3.6 (*Extraordinary General Meeting of Shareholders of Refresco*) and the Position Statement.

**This Offer Memorandum has been prepared in accordance with article 5:76 of the Wft in conjunction with the provisions of article 8 of the Takeover Decree and has been approved by the AFM in accordance with the provisions of article 8 of the Takeover Decree on 22 January 2018.**

**THIS OFFER MEMORANDUM CONTAINS DETAILED INFORMATION CONCERNING THE OFFER FOR SHARES AND THE PROPOSED TRANSACTIONS AS THEY RELATE TO THE OFFEROR. THE OFFEROR RECOMMENDS THAT YOU READ THIS OFFER MEMORANDUM CAREFULLY.**

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## 1 RESTRICTIONS AND IMPORTANT INFORMATION

### 1.1 Restrictions

The Offer is being made in and from the Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if such a tender has not been made in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of the Netherlands, no actions have been taken (nor will actions be taken) to make the Offer possible in any jurisdiction where such actions would be required. In addition, this Offer Memorandum has not been filed with or recognised by the authorities of any jurisdiction other than the Netherlands. Neither the Consortium (as defined in Section 2 (*Definitions*)), nor the Company, nor any of their advisors accept any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands should carefully review this Section 1 (*Restrictions and Important Information*) before taking any action. The release, publication or distribution of this Offer Memorandum and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restriction may constitute a violation of the law of any such jurisdiction.

### 1.2 United States of America

The Offer is being made for the securities of a Dutch company and is subject to Dutch disclosure requirements, which differ from those of the United States. The financial information of the Company included or referred to herein has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission and Part 9 of Book 2 of the Dutch Civil Code for use in the European Union and, accordingly, may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to an exemption from the U.S. tender offer rules provided by Rule 14d-1(c) under the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares will be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under



applicable state, local, foreign and other Tax laws. Each holder of Shares is urged to consult its independent professional advisor immediately regarding the Tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment. In accordance with standard Dutch practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror or its nominees, or its brokers (acting as agents), or affiliates of the Offeror's financial advisors, may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent required in the Netherlands, any information about such purchases will be announced by press release in accordance with article 13 of the Takeover Decree and posted on the website of the Company at [www.refresco.com](http://www.refresco.com) (investors section) as well as on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section) and the bcIMC group at [www.bcimc.com](http://www.bcimc.com) (newsroom section) on behalf of the Offeror.

### **1.3 Important information**

#### **1.3.1 Important information in the Offer Memorandum**

This Offer Memorandum contains important information that should be read carefully before any decision is made to tender Shares in connection with the Offer. Shareholders are advised to seek independent advice where necessary. In addition, Shareholders are urged to consult their tax advisors regarding the Tax consequences of tendering their Shares under the Offer.

Any tender, purchase and transfer (*levering*) of the Shares means acceptance of the terms and conditions contained in this Offer Memorandum as further set out in Section 1 (*Restrictions and important information*), Section 3 (*Explanation of the Offer*) and Section 4 (*Invitation to Shareholders*).

#### **1.3.2 Responsibility**

The information included in Sections 1.1 (*Restrictions*), Section 1.2 (*United States of America*), Section 2 (*Definitions*), Section 3.1 (*Introduction*) through Section 3.5 (*Governance Post-Settlement*), Section 3.7 (*Financing of the Offer*), Section 3.9 (*Offer Conditions*) through Section 3.12 (*Irrevocable Undertakings*), Section 3.14 (*Post-Settlement Restructuring measures*), 3.15 (*Consequences of the Offer*), Section 4 (*Invitation to Shareholders*), except for Section 4.14 (*Indicative Timetable*), Section 6.2 (*Share Price Development*), Section 7 (*Information on the Offeror*), Section 8(b), 8(d), 8(e) and 8(g) (*Further Declarations pursuant to the Takeover Decree*), Section 9 (*Dutch Tax Aspects of the Offer*) and Section 10 (*Nederlandse samenvatting van het Bod*) have been solely provided by the Consortium.

The information included in Section 3.6 (*Extraordinary General Meeting of Shareholders of Refresco*), Section 3.8 (*Recommendation by the Boards*), Section 3.13 (*Conditional Shares*) Section 5 (*Information regarding Refresco*), Section 6.1 (*Authorised and Issued Share Capital*), Section 6.3 (*Shares held by members of Boards*) through Section 6.5 (*Transaction costs of Refresco*), Section 8(c), 8(f) and 8(h) (*Further Declarations pursuant to the Takeover*



Decree) and Section 13 (*Selected Consolidated Financial Information Refresco*), Section 14 (*Reviewed Interim Consolidated Financial Statements*), Section 15 (*Financial Statements 2016 of Refresco*) and Section 17 (*Documents incorporated by reference*) have been solely provided by Refresco.

The information included on the cover page, page 2, page 3 and in Section 1.3 (*Important information*), Section 3.16 (*Employee Consultation*), Section 4.14 (*Indicative Timetable*), Section 8 (*Further Declarations pursuant to the Takeover Decree*) introductory paragraph, Section 8(a) (*Further Declarations pursuant to the Takeover Decree*), Section 11 (*Advisors*), Section 12 (*Press Releases*) and Section 16 (*Proposed new Articles of association Post-Settlement*) have been provided by the Offeror and Refresco jointly.

The Offeror and the Company are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to the information it has provided, and jointly with respect to the information they have provided jointly.

Both the Offeror and the Company confirm, each with respect to the information it has provided and jointly with respect to the information they have provided jointly, that to the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its meaning.

The information included in Section 13 (*Selected Consolidated Financial Information Refresco*) has been sourced by the Company from the audited financial statements for the financial year 2016, the financial year 2015 and the financial year 2014 as published in the annual reports of the Company of 2016, 2015 and 2014. The Independent auditor's report included in Section 13.6 (*Independent auditor's report on the selected consolidated financial information of Refresco*) has been sourced by the Company from Ernst & Young Accountants LLP (**EY**). The Company confirms that this information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from the relevant statements no facts have been omitted which would render the reproduced information inaccurate or misleading. The Offeror and the Company shall not be responsible for any auditors' statements included in this Offer Memorandum.

### 1.3.3 **Presentation of financial information and other information**

Certain numerical figures set out in this Offer Memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to this date or that there has been no change in the information set out in this Offer Memorandum or in the affairs of the Company and/or its subsidiaries and/or its Affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of the Offeror and Refresco, each insofar as it concerns them, to make a public announcement of any information pursuant to article 4, paragraph 3 of the Takeover Decree, if applicable, nor the obligation of Refresco to make a public announcement on the basis of article 17 of Regulation (EU) No 596/2014 on Market Abuse (the **MAR**) (public disclosure of inside information).

No persons other than the Offeror and Refresco and without prejudice to the independent auditor's reports issued by EY included in this Offer Memorandum and the fairness opinions issued by J.P. Morgan Securities plc (global) (**JPM**) and Coöperatieve Rabobank U.A., acting through its Corporate Finance Advisory – Mergers & Acquisitions department (**Rabobank**), included in the Position Statement, is authorised in connection with the Offer to provide any information or to make any statements on behalf of the Offeror or Refresco in connection with this Offer or any information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror or Refresco, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror or Refresco. Any information or representation not contained in this Offer Memorandum must not be relied upon as having been provided by or made by or on behalf of the Offeror or Refresco.

#### 1.3.4 **Governing law**

This Offer Memorandum and the agreements entered into between the Offeror and the Shareholders pursuant to the Offer are, and any tender, purchase or transfer of Shares will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the agreements entered into between the Offeror and the Shareholders pursuant to the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares shall be brought exclusively in such courts.

#### 1.3.5 **Language**

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 10 (*Nederlandse samenvatting van het bod*). In the event of any differences, whether or not in interpretation, between the English language text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English language text of this Offer Memorandum shall prevail.

#### 1.3.6 **Addresses**

##### The Exchange Agent

ABN AMRO Bank N.V. (Attention: Corporate Broking Department)  
Gustav Mahlerlaan 10, 1000EA Amsterdam, the Netherlands  
Telephone: +31 20 344 2000  
E-mail: [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com)

##### The Offeror

Sunshine Investments B.V.  
Prins Bernhardplein 200  
1097 JB Amsterdam  
The Netherlands

##### The Company

Refresco Group N.V.  
Fascinatio Boulevard 270  
3065 WB Rotterdam  
The Netherlands

### 1.3.7 Exchange Agent and availability of copy documentation

ABN AMRO Bank N.V. has been appointed as Exchange Agent in the context of the Offer.

Digital copies of this Offer Memorandum are available on the Company's website at [www.refresco.com](http://www.refresco.com) (investors section) as well as on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section) and the bcIMC group at [www.bcimc.com](http://www.bcimc.com) (newsroom section) on behalf of the Offeror. These websites do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum. Copies of this Offer Memorandum are furthermore available free of charge at the office of the Exchange Agent at the address mentioned above.

A digital copy of the articles of association (*statuten*) of the Company, as most recently amended on 13 May 2016 (the **Articles of Association**) is available on the Company's website at [www.refresco.com](http://www.refresco.com) and incorporated by reference in this Offer Memorandum.

### 1.3.8 Forward looking statements

This Offer Memorandum includes forward looking statements, including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Generally, words such as may, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward looking statements. Although the Offeror and the Company, each with respect to the statements it has provided, believe that the expectations reflected in such forward looking statements are based on reasonable assumptions and are, to the best of their knowledge, true and accurate on the date of this Offer Memorandum, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of the forward looking statements. Any such forward looking statement must be considered together with the fact that actual events or results may vary materially from such forward looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror or the Company do business, to competitive developments or risks inherent to their respective business plans and to uncertainties, risk and volatility in financial markets and other factors affecting them.

The Offeror and the Company undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

### 1.3.9 Financial advisors to the Offeror

Credit Suisse International (**Credit Suisse**) and Rothschild & Co (**Rothschild**) are acting as financial advisors exclusively to the Offeror and to no one else in connection with the Offer and will not be responsible to anyone (whether or not recipient of this Offer Memorandum) other than the Offeror for providing the protections afforded to the clients of Credit Suisse and Rothschild or for providing advice in relation to the Offer. Credit Suisse and Rothschild have advised the Offeror with regard to the Offer, structure, strategy, process and timing thereof. Credit Suisse acting in its capacity as financial advisor in connection with the Offer (as well as in its capacity as one of the underwriters in connection with the debt financing of the Offer (as further described in Section 3.7 (*Financing of the Offer*)), and Rothschild acting solely in its capacity as financial advisor in connection with the Offer, have provided advice and assistance to the Offeror on the financial aspects of the Offer and in preparation thereof.

Credit Suisse and Rothschild have given and have not withdrawn their written consent to the references to their name in the form and context in which it appears in this Offer Memorandum.

#### 1.3.10 **Financial advisors to Refresco**

JPM is acting as financial advisor exclusively to Refresco and to no one else in connection with the Offer (save for the role of one of its group companies as one of the underwriters in connection with the debt financing of the Offer (as further described in Section 3.7 (*Financing of the Offer*)))<sup>1</sup> and will in its capacity as financial advisor to Refresco not be responsible to anyone (whether or not recipient of this Offer Memorandum) other than Refresco for providing the protections afforded to the clients of JPM or for providing advice in relation to the Offer. JPM, acting in its capacity as financial advisor in connection with the Offer, has provided advice and assistance to Refresco on the financial aspects of the Offer and in preparation thereof and has issued a fairness opinion to the Boards.

JPM has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

Rabobank is acting as financial advisor exclusively to the Supervisory Board and to no one else in connection with the Offer (save for its role as one of the financing banks in connection with the debt financing of the Offer (as further described in Section 3.7 (*Financing of the Offer*)))<sup>2</sup> and will not be responsible to anyone (whether or not recipient of this Offer Memorandum) other than the Supervisory Board for providing the protections afforded to the clients of Rabobank or for providing advice in relation to the Offer. Rabobank has solely issued a fairness opinion to the Supervisory Board.

Rabobank has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

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<sup>1</sup> JPM has procedures in place, such as Chinese walls procedures based on rules and regulations and internal policies to prevent the sharing of information and any conflicts of interest between any of its group companies, affiliates, directors and employees engaged in its merchant banking activities and in its financial advising activities.

<sup>2</sup> Rabobank has procedures in place, such as Chinese walls procedures based on rules and regulations and internal policies to prevent the sharing of information and any conflicts of interest between any of its group companies, affiliates, directors and employees engaged in its merchant banking activities and in its financial advising activities.

## 2 DEFINITIONS

Any reference in this Offer Memorandum to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made. A reference to “including” means “including without limitation”.

Defined terms used in this Offer Memorandum shall have the following meaning:

<b>Acceptance Closing Date</b>	has the meaning attributed thereto on page 2
<b>Acceptance Closing Time</b>	has the meaning attributed thereto on page 2
<b>Acceptance Period</b>	has the meaning attributed thereto on page 2
<b>Acquisition Vehicles</b>	has the meaning attributed thereto in Section 7.6 ( <i>Shareholder Arrangements</i> )
<b>Admitted Institutions</b>	those institutions admitted to Euronext Amsterdam
<b>Affiliates</b>	means any corporation, partnership, co-operative, or other business or legal entity or other person directly or indirectly, solely or jointly controlling or controlled by the Offeror or the Company, including any of its subsidiaries and group companies within the meaning of articles 2:24a and 2:24b of the DCC, respectively, excluding, for the avoidance of doubt, any portfolio companies of the Offeror
<b>AFM</b>	the Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
<b>Alternative Proposal</b>	has the meaning attributed thereto in Section 3.10.1.2 ( <i>Exclusivity</i> )
<b>Alternative Transaction</b>	has the meaning attributed thereto in Section 3.10.1.1 ( <i>Exclusivity</i> )
<b>Announcement</b>	has the meaning attributed thereto in Section 3.1 ( <i>Introduction</i> )
<b>Articles of Association</b>	has the meaning attributed thereto in Section 1.3.7 ( <i>Availability of copy documentation</i> )
<b>Asset Sale</b>	has the meaning attributed thereto in Section 3.14.2 ( <i>Importance of 100% ownership</i> )
<b>Asset Sale Agreement</b>	has the meaning attributed thereto in Section 3.14.2 ( <i>Importance of 100% ownership</i> )
<b>Asset Sale Range</b>	means the number of Tendered Shares together with (i) any Shares directly or indirectly held by the Offeror or any of its affiliates, (ii) any Shares irrevocably committed to the Offeror or any of its Affiliates, in writing, and (iii) any Shares to which the Offeror or any of its Affiliates is entitled ( <i>gekocht maar nog niet geleverd</i> ), in case of (i), (ii) and (iii) on the first business day after closing of the post-Acceptance Period, representing less than 95% (ninety-five per cent) but at least 80% (eighty

	per cent) of the Company's aggregate issued and outstanding ordinary share capital ( <i>geplaatst en uitstaand gewoon kapitaal</i> )
<b>bclMC</b>	British Columbia Investment Management Corporation
<b>bclMC Fund</b>	has the meaning attributed thereto in Section 7.1.1 ( <i>General</i> )
<b>Boards</b>	has the meaning attributed thereto on the cover page
<b>Business</b>	has the meaning attributed thereto in Section 3.14.2 ( <i>Importance of 100% ownership</i> )
<b>Business Day</b>	means any day other than a Saturday, Sunday or Netherlands public holiday on which Euronext Amsterdam and banks in the Netherlands, according to the collective agreements for the banking sector ( <i>Algemene Bank-CAO</i> ), are generally open for business
<b>Business Strategy</b>	has the meaning attributed thereto in Section 3.4.2(b) ( <i>Strategy</i> )
<b>Buy-Out</b>	has the meaning attributed thereto in Section 3.14.1 ( <i>Squeeze-Out procedures</i> )
<b>CET</b>	Central European Time
<b>Company or Refresco</b>	Refresco Group N.V., a public limited liability company ( <i>naamloze vennootschap</i> ), incorporated under the laws of the Netherlands, having its statutory seat ( <i>statutaire zetel</i> ) in Rotterdam, the Netherlands, having its registered office at Fascination Boulevard 270 (3065 WB) Rotterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 24395416
<b>Competing Offer</b>	has the meaning attributed thereto in Section 3.10.3 ( <i>Competing Offer</i> )
<b>Competing Offer Notice</b>	has the meaning attributed thereto in Section 3.10.4(a) ( <i>Procedure in case of a Competing Offer - Revised Offer</i> )
<b>Competition Authorities</b>	has the meaning attributed thereto in Section 3.9.1(h)(i) ( <i>Offer Conditions</i> )
<b>Conditional Shares</b>	has the meaning attributed thereto in Section 3.13 ( <i>Conditional Shares</i> )
<b>Consortium</b>	means the Offeror, and PAI and Cubalibre Holdings (and, prior to the incorporation of Cubalibre Holdings, bclMC) acting jointly through the Offeror
<b>Cott SPA</b>	has the meaning attributed thereto in Section 3.1 ( <i>Introduction</i> )
<b>Cott TB</b>	has the meaning attributed thereto in Section 3.1 ( <i>Introduction</i> )
<b>Cott TB Acquisition</b>	has the meaning attributed thereto in Section 3.1 ( <i>Introduction</i> )



<b>Credit Suisse</b>	has the meaning attributed thereto in Section 1.3.9 ( <i>Financial advisors to the Offeror</i> )
<b>Cubalibre Holdings</b>	has the meaning attributed thereto in Section 7.1.1 ( <i>General</i> )
<b>Debt Financing</b>	has the meaning attributed thereto in Section 3.7 ( <i>Financing of the Offer</i> )
<b>Defaulting Party</b>	has the meaning attributed thereto in Section 3.10.6(c) ( <i>Termination of the Merger Protocol</i> )
<b>Dutch Civil Code or DCC</b>	the Dutch civil code ( <i>Burgerlijk Wetboek</i> )
<b>Dutch Corporate Governance Code</b>	the Dutch corporate governance code (as published on 8 December 2016) as amended from time to time, as established under article 2:391 sub 5 of the Dutch Civil Code
<b>EBITDA</b>	earnings before interest, taxes, depreciation and amortization
<b>EGM</b>	has the meaning attributed thereto on page 3
<b>EUR, Euro or €</b>	Euro, the legal currency of the European Monetary Union
<b>Euronext Amsterdam</b>	Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.
<b>EY</b>	Ernst & Young Accountants LLP
<b>Exchange Agent</b>	ABN AMRO Bank N.V.
<b>Executive Board</b>	has the meaning attributed thereto on the cover page
<b>Group</b>	the Company and its subsidiaries as meant in article 2:24a of the Dutch Civil Code, and the entities in which the Company directly or indirectly has a minority stake
<b>Group Companies</b>	means any member of the Group
<b>Independent Board Member(s)</b>	has the meaning attributed thereto in Section 3.5.2 ( <i>Composition Supervisory Board</i> )
<b>Independent SB Member(s)</b>	has the meaning attributed thereto in Section 3.5.2 ( <i>Composition Supervisory Board</i> )
<b>JPM</b>	J.P. Morgan Securities plc (global)
<b>Liquidation</b>	has the meaning attributed thereto in Section 3.14.3 ( <i>Asset sale and Liquidation</i> )
<b>Liquidator</b>	means a liquidator for the Liquidation
<b>Major Shareholders</b>	has the meaning attributed thereto on page 2
<b>MAR</b>	Regulation (EU) No 596/2014 on Market Abuse
<b>Material Adverse Effect</b>	means any change, event, circumstance or effect (any such items: an Effect) individually or when taken together with all other Effects, that is or is reasonably likely to be materially adverse to the business, assets,

result of operations, capitalisation of the Company, its Group Companies and Cott TB taken as a whole, such that the Offeror cannot reasonably be expected to declare the Offer unconditional, provided that for the purpose of determining whether there has been, or will be, a Material Adverse Effect, the following Effects will not be taken into account:

- (a) changes in applicable laws or regulations, accounting principles or interpretations thereof after the date of signing of the Merger Protocol;
- (b) changes in financial markets and economies in general or the industry in which the Group operates unless those changes have a disproportionate effect on the Company, its Group Companies and Cott TB taken as a whole, in comparison to other comparable companies in the industry in which the Group operates;
- (c) any matter which is known to the Offeror prior to the date of signing of the Merger Protocol, or which reasonably should have been known to the Offeror as a result of (i) the fair disclosure by the Company to the Offeror as part of the due diligence of the Group performed by PAI, bclMC, their Affiliates and their advisers prior to the date of signing of the Merger Protocol, or (ii) information being available in the public domain;
- (d) fluctuations in the price or trading volume of Shares in the ordinary course of trading;
- (e) any failure, in and of itself, by the Company or the Group to meet any internal projections or projections published by third parties, including solvency projections, forecasts or revenue or earnings predictions (provided, however, that, in the case of this paragraph the underlying cause for such failure may be considered in determining whether there may be a Material Adverse Effect);
- (f) the announcement, making or implementation of the Offer; or
- (g) a violation of the Merger Protocol or applicable law by the Offeror.

**Material Breach**

has the meaning attributed thereto in Section 3.10.6(c) (*Termination of the Merger Protocol*)

**Merger Protocol**

the Merger Protocol agreed and signed by the Offeror and the Company on 24 October 2017

**Merger Rules**

all applicable laws and regulations relating to the Offer, including without limitation the applicable provisions of the Wft, the Takeover Decree, any rules and regulations promulgated pursuant to the Wft and/or the Takeover Decree, the policy guidelines and instructions of the AFM, the MAR, the Merger Code 2015 (*SER-besluit Fusiegedragsregels 2015*), the Dutch Works Council Act

	( <i>Wet op de ondernemingsraden</i> ), the rules and regulations of Euronext Amsterdam, the Dutch Civil Code and the relevant securities and competition law rules and regulations in other applicable jurisdictions
<b>Non-Financial Covenants</b>	has the meaning attributed thereto in Section 3.4 ( <i>Non-Financial Covenants</i> )
<b>Offer</b>	has the meaning attributed thereto on the cover page
<b>Offer Conditions</b>	means the conditions to the Offer described in Section 3.9 ( <i>Offer Conditions</i> )
<b>Offer Memorandum</b>	has the meaning attributed thereto on the cover page
<b>Offer Price</b>	has the meaning attributed thereto on the cover page
<b>Offeror</b>	Sunshine Investments B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), duly incorporated and validly existing under the laws of the Netherlands, having its registered office at Prins Bernhardplein 200, (1097 JB) Amsterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 69729220, ultimately indirectly jointly controlled by PAI and Cubalibre Holdings
<b>PAI</b>	PAI Partners SAS, a French portfolio management company approved and regulated by the <i>Autorité des marchés financiers</i> (AMF) in France and regulated by the Financial Conduct Authority (FCA) in the United Kingdom
<b>PAI Fund</b>	has the meaning attributed thereto in Section 7.1.1 ( <i>General</i> )
<b>Position Statement</b>	has the meaning attributed thereto on page 3
<b>Post-Settlement Restructuring</b>	has the meaning attributed thereto in Section 3.14.4.1 ( <i>other Post-Settlement Restructuring</i> )
<b>Potential Competing Offer</b>	has the meaning attributed thereto in Section 3.10.2.1 ( <i>Potential Competing Offer</i> )
<b>Potential Competing Offer Notice</b>	has the meaning attributed thereto in Section 3.10.2.1 ( <i>Potential Competing Offer</i> )
<b>Potential Competing Offer Period</b>	has the meaning attributed thereto in Section 3.10.3 ( <i>Potential Competing Offer</i> )
<b>Purchase Price</b>	has the meaning attributed thereto in Section 3.14.3 ( <i>Asset Sale and Liquidation</i> )
<b>Rabobank</b>	Coöperatieve Rabobank U.A., acting through its Corporate Finance Advisory – Mergers & Acquisitions department
<b>Recommendation</b>	has the meaning attributed thereto in Section 3.8 ( <i>Decision-making and Recommendation by the Boards</i> )
<b>Relevant Persons</b>	has the meaning attributed thereto in Section 3.10.1 ( <i>Exclusivity</i> )

<b>Resolutions</b>	has the meaning attributed thereto in Section 3.6 ( <i>Extraordinary General Meeting of Shareholders of Refresco</i> )
<b>Revised Offer</b>	has the meaning attributed thereto in Section 3.10.4(c) ( <i>Procedure in case of a Competing Offer - Revised Offer</i> )
<b>Revised Offer Period</b>	has the meaning attributed thereto in Section 3.10.4(b) ( <i>Procedure in case of a Competing Offer - Revised Offer</i> )
<b>Rothschild</b>	has the meaning attributed thereto in Section 1.3.9 ( <i>Financial advisors to the Offeror</i> )
<b>SEC</b>	U.S. Securities and Exchange Commission
<b>Second Step Distribution</b>	has the meaning attributed thereto in Section 3.14.3 ( <i>Asset Sale and Liquidation</i> )
<b>Section</b>	a section of this Offer Memorandum
<b>Settlement</b>	the payment of the Offer Price by the Offeror to the Shareholders for each Tendered Share
<b>Settlement Date</b>	the date on which, in accordance with the terms and restrictions of the Offer, payment of the Offer Price shall be made by the Offeror to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) under the Offer prior to the Acceptance Closing Time, against transfer of their Shares, which date is expected to occur on the fifth (5 <sup>th</sup> ) Business Day after the Unconditional Date
<b>Shareholder(s)</b>	has the meaning attributed thereto on the cover page
<b>Shareholder Financing</b>	has the meaning attributed thereto in Section 3.7 ( <i>Financing of the Offer</i> )
<b>Shares</b>	has the meaning attributed thereto on the cover page
<b>Supervisory Board</b>	has the meaning attributed thereto on the cover page
<b>Takeover Decree</b>	the Takeover decree on public offers Wft ( <i>Besluit openbare biedingen Wft</i> )
<b>Tax</b>	means all taxes, social security charges, contributions, duties and other levies of whatever nature, separately or jointly due to, payable to, levied by, imposed upon by, claimed to be owed to, awarded by or held responsible for by any supranational, national, federal, state, provincial, municipal, local, foreign or other authority having the power to tax, including but not limited to corporate income tax, such tax taken to include surtax, wage tax, value added tax, social security contributions and employee social security contributions, income tax, tax on profits, tax on gross receipts, license tax, payroll tax, employment tax, customs and excise duties, tax on severance payments, stamp duty, occupation levies, premium tax, windfall profit tax, environmental taxes and

	duties, capital tax and other legal transaction taxes, franchise tax, withholding tax, tax on disability or unemployment payments, real property tax, personal property tax, sales tax, tax based on use, transfer tax, registration tax, municipal tax, estimated or preliminary tax, or any other tax of any kind whatsoever, including any interest, penalties, or other additions thereto, whether disputed or not
<b>Tendered Share</b>	means each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date
<b>Terminating Party</b>	has the meaning attributed thereto in Section 3.10.6(b) ( <i>Termination of the Merger Protocol</i> )
<b>Transactions</b>	the Offer and the Asset Sale and Liquidation
<b>Unconditional Date</b>	has the meaning attributed thereto on page 2
<b>U.S. Exchange Act</b>	U.S. Securities Exchange Act of 1934
<b>Wft</b>	Netherlands Financial Supervision Act ( <i>Wet op het financieel toezicht</i> )
<b>Works Council</b>	means the works council ( <i>centrale ondernemingsraad</i> ) of Refresco in the Benelux

### 3 EXPLANATION OF THE OFFER

#### 3.1 Introduction

Before Refresco listed its Shares on Euronext Amsterdam in 2015, PAI Partners SAS (**PAI**) had approached Refresco with a proposal contemplating the acquisition of Refresco by PAI. At that time, Refresco preferred to proceed with the public offering and listing of its Shares.

On 6 April 2017, PAI approached Refresco with a proposal contemplating a recommended public offer for all Shares, implying a total consideration of EUR 1.4 billion on the basis of acquisition of 100% of the Shares under such offer. The Executive Board and the Supervisory Board did not object to the strategic proposition of a take-private transaction, in particular, as PAI's interest was principally based on Refresco's successful buy-and-build strategy, which represented the most important condition for the Boards in considering any proposal. However, at that time, the Boards were of the opinion that the proposed terms and conditions did not reflect the value creation potential stemming from the intended acquisition of Cott Corporation's bottling activities (**Cott TB**) that Refresco was intending to pursue. In the months thereafter, Refresco successfully negotiated the acquisition of Cott TB and signed the acquisition agreement for Cott TB on 24 July 2017 (the **Cott SPA**), as announced by Refresco on 25 July 2017 (see also Section 12 (*Press Releases*)) (the **Cott TB Acquisition**). The Cott TB Acquisition is contemplated to complete on 30 January 2018 and intends to transform Refresco from a pan-European player into the world's largest independent bottler with leadership positions across Europe and North America, annual turnover of EUR 3.6 billion and 59 production sites with combined production volumes of approximately 12 billion litres.

On the date of the Cott SPA, Refresco entered into a new facility agreement with various banks for the purpose of the Cott TB Acquisition and for refinancing the existing debt of Refresco and Cott TB. Following closing of the Cott TB Acquisition, under the new financing arrangement, Refresco's leverage ratio would increase to approximately 4.5 times the adjusted EBITDA of the combined company. On the date of the announcement of the Cott TB Acquisition, Refresco announced that it intended to bring down the leverage ratio to around 3.5x within 2 years' time. The deleveraging was to be achieved by, among other things, an equity raise of approximately EUR 200 million within 12 months of closing of the Cott TB Acquisition.

The bclMC group is a longstanding (over ten years) limited partner in the PAI funds, and has previously co-invested alongside PAI in the food and beverage sector. They have therefore developed strong relationship of co-investment in businesses.

Since early August 2017, Refresco has investigated the possibility to structure such equity raise as a private placement of shares and invited various parties, including PAI, to discuss the terms of their potential participation in such private placement. This process confirmed and strengthened PAI and the bclMC group's interest in the Company, its operations and its management team. Refresco fits extremely well within PAI and the bclMC group's investment criteria and previous investment experience. PAI's and bclMC group's strategy is to focus on companies with leading positions in their market, with the potential for transformation and significant growth during ownership that can be realised through market growth, new product development, innovation, bolt-on acquisitions and entry into new markets/ channels.

As a result, on 3 October 2017, PAI and the bclMC group submitted a revised proposal contemplating a recommended public offer of EUR 19.75 per Share in cash (cum dividend), representing a consideration of EUR 1.6 billion on the basis of acquisition of 100% of the Shares under such offer, reflecting the progress and developments at Refresco since April 2017. Subsequently, Refresco formed a steering committee consisting of Mr. Petrides, Mr. Sigurdsson and Mr. De Kool charged with making recommendations to the Boards with respect to PAI's and the bclMC group's proposal and to coordinate the day-to-day workstream related thereto.



After due and careful consideration, and interaction on a number of topics, including financial and non-financial conditions, on 18 October 2017, Refresco, entered into detailed negotiations with PAI and bclMC group. Together with their external legal advisors, representatives of the Boards, being Mr. Roelofs, Mr. De Kool and Mr. Sigurdsson, and the Consortium convened in Amsterdam to discuss the material terms of the draft Merger Protocol and held subsequent discussions and negotiations. Various drafts of the Merger Protocol were exchanged.

Throughout the process, the Boards of Refresco met regularly to discuss developments of the process and make key decisions. The Boards received extensive financial and legal advice and have given careful consideration to the strategic, financial and social aspects and consequences of the proposed transaction.

The negotiations with PAI and the bclMC group resulted in a final price increase to EUR 20 per Share and commitment of the Offeror on crucial non-financial elements, including deal certainty and non-financial covenants. The increase in the offer price to EUR 20 reflected detailed discussions with Refresco following 3 October 2017, based upon which PAI and the bclMC group were able to gain further conviction both around additional value opportunities and reduced risk (in particular regarding the possible value loss from any potential remedies required by the UK competition authority (CMA) relating to the Cott TB Acquisition), which enabled them to make a final, slightly greater offer. The Boards considered the revised proposal to be fair and appropriate.

Refresco has subsequently investigated if its Major Shareholders were willing to commit to the Consortium's final proposal. The Major Shareholders indicated to support the proposal and willingness to enter into irrevocable undertakings with the Offeror.

The Merger Protocol and irrevocable undertakings with the Major Shareholders were executed on 24 October 2017. Early morning on 25 October 2017, the Offeror and the Company jointly announced that they had reached conditional agreement on the Offer (the **Announcement**). See also Section 12 (*Press Releases*).

The Offeror is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions set forth in this Offer Memorandum and the Boards are recommending Shareholders to accept the Offer.

For each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred under the Offer, and which has not been validly withdrawn, subject to the Offeror declaring the Offer unconditional, the Offeror offers a cash amount of EUR 20 per Share (cum dividend) without interest and subject to any required withholding of Taxes.

## **3.2 Substantiation of the Offer Price**

### **3.2.1 Offer Price**

In establishing the Offer Price, the Offeror has carefully considered the history and prospects of the Company, including analyses of historic financial information and potential future developments in the Company's profitability, cash flows and balance sheet derived from (a) the Company's interim financial statements, annual financial statements, analyst presentations and press releases in the period from 16 April 2013 up to the date hereof, (b) historical market valuation of the Shares in the period from 27 March 2015, the first trading date following the initial public offering (the **IPO**) of Refresco, up to and including 2 October 2017 (the last trading date prior to Refresco's public announcement of PAIs and

bclMC group's renewed interest in a take private transaction), (c) broker reports in the periods from 25 July 2017 (the first trading day following the announcement of Refresco's acquisition of Cott TB) up to 2 October 2017, and (d) Management forecasts provided to the Offeror as part of the due diligence process.

The Offer Price has been based on the following series of financial analyses:

- (a) an analysis of the closing prices of the Shares from 3 October 2016 up to and including 2 October 2017 (the last trading date prior to PAI's and the bclMC group's renewed interest in a take private transaction and Refresco's public announcement thereof on the same day). During this period, the volume weighted average closing prices per Share on Euronext Amsterdam for the three (3), six (6) and twelve (12) month period prior to and including 2 October 2017 were EUR 16.64, EUR 16.88 and EUR 15.23 respectively. The highest closing price per Share since the first trading date on 27 March 2015 following the IPO was EUR 18.22 on 26 June 2017. The closing price of the Shares on 5 April 2017 (the last trading date prior to PAI's proposal on 6 April 2017 and subsequent public announcement made by Refresco) was EUR 14.21, adjusted for the full year 2016 dividend of EUR 0.38 per share paid on 6 June 2017;
- (b) an analysis of the latest analyst price targets for the Shares, issued between 25 July 2017 and 2 October 2017. The research analysts considered comprise of ABN AMRO, Degroof Petercam, ING, KBC Securities, Kempen & Co., Kepler Cheuvreux, NIBC and Societe Generale with a median analyst price target of EUR 17.75 per Share;
- (c) an analysis of Refresco's trading multiple prior to PAI's proposal of 6 April 2017 and subsequent public announcement made by Refresco. The average enterprise value to last twelve month (**LTM**) EBITDA<sup>3</sup> trading multiple for Refresco since IPO up to and including 5 April 2017 was 7.8x;
- (d) an analysis of Cott Corporation's trading multiple prior to the announcement of its transformational acquisition of DSS on 6 November 2014, which diversified Cott Corporation's business away from private label manufacturing and into water and coffee delivery services. The 5-year average enterprise value to LTM EBITDA<sup>4</sup> trading multiple for Cott Corporation up to and including the 5 November 2014 was 6.1x;
- (e) a comparison of the enterprise value to pre-synergy and post-synergy LTM EBITDA multiples implied by the Offer against the enterprise value to post-synergy LTM EBITDA multiple implied by Refresco's acquisition of Cott TB, announced on 25 July 2017:
  - (i) based on pro-forma net debt as at 30 June 2017 of EUR 1,735 million (as per Refresco's public lenders presentation dated 5 September 2017) and the net present value of tax assets resulting from the Cott TB Acquisition of EUR 66 million (as per Refresco's investor presentation in relation to the Cott TB Acquisition dated 25 July 2017), the Offer Price represents a multiple of enterprise value for Refresco of approximately 9.6x EBITDA for the twelve (12) months ended 30 June 2017, pro-forma for the Cott TB Acquisition, and 8.5x including run-rate synergies of EUR 47 million from the Cott TB Acquisition;
  - (ii) Refresco's acquisition of Cott TB for a price of USD 1,250 million (EUR 1,096 million) on a cash-free debt-free basis, represented a multiple of enterprise value to adjusted 2016 Cott TB EBITDA excluding synergies of 8.6x, and of approximately 6x including synergies; and

<sup>3</sup> Based on IBES consensus.

<sup>4</sup> Based on IBES consensus.

- (f) a discounted cash flow analysis for Refresco and Cott TB combined, up to and including the financial year ended December 2028, considering historic financial developments and assuming management forecasts, a 7.0% to 8.0% discount rate and a 0.5% terminal growth rate.

As indicated in Section 3.1 above, the negotiations with PAI and the bclMC group resulted in a final price of EUR 20 per Share. The offer price of EUR 20 reflected detailed discussions with Refresco following 3 October 2017, based upon which PAI and the bclMC group were able to gain further conviction both around additional value opportunities and reduced risk (in particular regarding the possible value loss from any potential remedies required by the UK competition authority (CMA) relating to the Cott TB Acquisition). The Boards considered the proposal, including an offer price of EUR 20 per Share to be fair and appropriate.

### 3.2.2 Premia

The Offer Price represents a premium of approximately:

- (a) 15.4% to the closing price per Share on Euronext Amsterdam on 2 October 2017 (the last trading date prior to Refresco's public announcement of PAI's renewed interest in a take private transaction);
- (b) 22.2% to the average closing price per Share on Euronext Amsterdam of EUR 16.37 since the announcement of the Cott TB Acquisition on 25 July 2017;<sup>5</sup>
- (c) 40.7% to the closing price per Share on Euronext Amsterdam of EUR 14.21 on 5 April 2017;<sup>6</sup>
- (d) 29.6% to the average closing price per Share on Euronext Amsterdam for the twelve (12) months prior to and including 2 October 2017;
- (e) 17.9% to the average closing price per Share on Euronext Amsterdam for the six (6) months prior to and including 2 October 2017;
- (f) 20.2% to the average closing price per Share on Euronext Amsterdam for the three (3) months prior to and including 2 October 2017;
- (g) 37.9% to the Refresco IPO price of EUR 14.50; and
- (h) 12.7% to the median of the latest analyst price targets for the Shares, issued before 2 October 2017 (median analyst price target of EUR 17.75). The research analysts considered comprise of ABN AMRO, Degroof Petercam, ING, KBC Securities, Kempen & Co., Kepler Cheuvreux, NIBC and Societe Generale.

By comparison, the median premium to the unaffected share price (the closing price one day prior to the earlier of the transaction announcement or material, public speculation of a transaction, if any) is approximately 34% for public offers by financial investors for 100% (hundred per cent) of the shares in the capital of Dutch companies listed on the Euronext Amsterdam with equity values in excess of EUR 250 million that were announced and completed in the five years prior to 2 October 2017. The selected transactions comprise: Ten Cate/consortium led by Gilde Buy Out Partners, Nutreco/SHV Holdings, Exact/Apax Partners, DE Master Blenders 1753/JAB, Unit4/Advent International, Xeikon/Bencis and Mediq/Advent International.

### 3.3 Rationale for the Offer

The Consortium fully supports the Board's existing buy-and-build strategy and will seek to provide access to its extensive network and relationships across the consumer goods sector globally for the Company's benefit. The Consortium also intends to provide access to

<sup>5</sup> Average share price for period from 25 July 2017 up to and including 2 October 2017, the date prior to Refresco's public announcement of PAI and bclMC's renewed interest in a take private transaction.

<sup>6</sup> Share price prior to PAI's proposal of 6 April 2017 and subsequent public announcement made by Refresco, adjusted for the financial year 2016 dividend of EUR 0.38 per share paid on 6 June 2017.

capital for the Company to accelerate its buy-and-build strategy, both in Europe and North America. The Consortium believes that the Company will play a prominent role in the consolidation and outsourcing trends of the beverage industry in Europe, North America and worldwide.

The Boards are of the opinion that the Offer Price fully reflects the value creation potential of the Company, including the Cott TB Acquisition. Accepting the Offer now allows the Shareholders to realise the value potential immediately instead of over time, whilst eliminating the associated execution risk. Furthermore, it prevents the anticipated dilution from the equity issuance of EUR 200 million that was planned in connection with the financing of the Cott TB Acquisition. The Boards believe that the Offer represents a fair price to the Shareholders and is in the best interests of Refresco and all of its stakeholders.

### 3.4 Non-Financial Covenants

The Offeror and the Company have agreed certain non-financial covenants set out in this Section 3.4 (*Non-Financial Covenants*) for a duration of 3 years as of 24 October 2017, the date of the Merger Protocol (the **Non-Financial Covenants**):

#### 3.4.1 Structure of the Group

Taking into account the corporate and business interests of the Company and its stakeholders, the Offeror shall ensure that:

- (a) the Company will remain a separate legal entity and will remain the holding company of the Company's subsidiaries and operations from time to time;
- (b) the corporate name of the Company will remain unchanged;
- (c) the Company's headquarters, central management and its key support functions remain in Rotterdam, the Netherlands;
- (d) the Company's governance structure remains a two-tier structure; and
- (e) the Company's corporate identity and culture are maintained, recognising the Company's history and track record.

#### 3.4.2 Strategy

- (a) The Offeror fully supports the Group's Business Strategy (as defined in the next paragraph) and shall assist the Company and its Group Companies in the realisation thereof.
- (b) For the purpose of this Section, **Business Strategy** means to deliver profitable growth in the beverage industry, in both retailer brands and contract manufacturing, through organic expansion and continuous consolidation of the market, all in accordance with the current strategy of the Company.
- (c) The Offeror shall support the growth of the Group's production footprint and maintain the key trademarks of the Group.

#### 3.4.3 Employees

- (a) The Offeror will respect the existing rights and benefits of the employees of the Group, including existing rights and benefits under their individual employment agreements, collective labour agreements, social plans, and including existing rights and benefits under existing covenants made to the works councils and trade unions.
- (b) The Offeror will ensure it fosters a culture of excellence, where qualified employees are offered attractive training and national and international career progression.

- (c) The Offeror does not envisage material reductions of the total workforce as a direct consequence of the Offer, the completion thereof or the Asset Sale.

#### **3.4.4 Reinvesting free cash flow**

- (a) The current portfolio of product-, market-, and technology positions will in principle be strengthened by means of investments with a focus on organic growth as well as acquisitions.
- (b) The Offeror acknowledges the importance of research & development for the operation of the Group and shall allow the Group to keep investing in research & development, in accordance with the Business Strategy, taking into account current practice.

#### **3.4.5 Buy-and-Build**

- (a) As part of its support for the Business Strategy, the Offeror shall support and respect the buy-and-build strategy of the Group, which means that the Offeror shall allow the Group to invest in the market groups and these market groups may, apart from improvements and/or investments in the existing businesses, be further strengthened through acquisitions.
- (b) The Offeror acknowledges that the Group may require additional capital in order to pursue add-on acquisitions as part of its buy-and-build strategy and intends to make additional equity capital available in order to finance such add-on acquisitions, subject to the Group's applicable approval policies and (financial) parameters as applicable from time to time, and in order to use a balanced combination of debt and equity.

#### **3.4.6 Leverage**

- (a) The Offeror will maintain (on a rolling basis) a financial leverage at a level not exceeding the leverage following Settlement of the Offer, consistent with accounting and leverage computation policies with the ability to adjust for pro forma non-recurring items and synergies realised or to be realised in the period of 18-months after Settlement.
- (b) The leverage shall be consistent with applicable rules and regulations in the EU, the US and elsewhere.

#### **3.4.7 Deviation**

The Executive Board and Supervisory Board, acting jointly, may deviate from the Non-Financial Covenants if they are of the opinion that such deviation is in the best interest of the Company taking into account the interest of all stakeholders, where the Supervisory Board will require the affirmative vote of at least one (1) Independent Board Member (as defined below).

### **3.5 Governance Post-Settlement**

#### **3.5.1 Composition of Executive Board**

As of the date of this Offer Memorandum, the Executive Board consists of the following members who shall upon Settlement continue to serve as members of the Executive Board:

- (i) Mr. Hans Roelofs;
- (ii) Mr. Aart Duijzer; and
- (iii) Mr. Vincent Delozière.

The Offeror desires senior management to participate in the ownership of the business and accordingly may provide senior management the opportunity to invest (indirectly) in the Company. The investment by members of senior management will reflect their long term commitment to the Company and is intended to incentivise senior management to contribute to the success and long term financial achievements of the Company going forward.

Certain members of senior management (including the Executive Board members) may be invited to invest (indirectly) in the Company on the basis set out in a management incentive plan following the Settlement Date. Any agreement in respect of the investment by senior management will not become effective until, and will be subject to completion of the Offer. Definitive documents are yet to be agreed.

### 3.5.2 **Composition of Supervisory Board**

Immediately following the Settlement Date and up to completion of the Post-Settlement Restructuring, the Supervisory Board shall consist of six (6) members. Two (2) members will be independent (“independent” having the meaning as defined in the Dutch Corporate Governance Code) (the **Independent SB Members** and each individually an **Independent SB Member**), one of which will be elected as chairman of the Supervisory Board. The Offeror shall have the right to appoint the other four (4) Supervisory Board members.

Each of the Offeror and the Company shall use their respective reasonable best efforts to ensure that the Supervisory Board shall be composed as follows following Settlement:

- (a) Yiannis Petrides and Theo de Kool as Independent SB Members (i.e. two current members of the Supervisory Board); Yiannis Petrides shall be the chairman of the Supervisory Board; and
- (b) Jim Pittman, Julian Remedios, Frédéric Stévenin and Nicolas Brugère, who have been nominated for appointment by the Offeror.

If there is a tied vote in respect of any resolution to be proposed at any meeting of the Supervisory Board, the chairman of the Supervisory Board shall be entitled to cast an extra and casting vote in addition to his existing vote. If the chairman is absent from a meeting of the Supervisory Board, the other Independent SB member shall be the chairman of such meeting and shall, in addition to his or her casting vote as chairman, be entitled to cast two votes on any resolution proposed at the meeting.

The Independent SB Members shall each serve as member of the Supervisory Board during the Post-Settlement Restructuring. The Independent SB Members shall resign as member of the Supervisory Board at the end of the aforementioned period. In their position as member of the Supervisory Board during such period, the Independent SB Members shall monitor and protect the interests of all the Company’s stakeholders, including, in particular, the interests of the minority shareholders, and the Independent SB Members shall have the right to approve any Post-Settlement Restructuring, other than the Buy-Out and the Asset Sale, including the dissolution of the Company and appointment of a Liquidator, which have already been resolved upon by the Boards and provided that the Shareholders have adopted all relevant resolution with respect to the Asset Sale, the dissolution of the Company and appointment of a liquidator at the EGM prior to the initial Acceptance Closing Time (whereby “right to approve” shall mean that any of the aforesaid transactions shall only be permitted with the prior approval of the Supervisory Board including a vote in favour of such approval by each of the Independent SB Members).



As soon as practically possible following completion of the Post-Settlement Restructuring, the Supervisory Board shall consist of six (6) members. The Offeror shall have the right to appoint all six (6) Supervisory Board members. Two (2) of these Supervisory Board members shall have relevant industry knowledge (the **Independent Board Members**). The Chairman of the Supervisory Board will be elected from amongst the two (2) Supervisory Board members with relevant industry knowledge upon the later of (i) six (6) months following the Settlement Date or (ii) completion of the Post-Settlement Restructuring.

As at the Settlement Date, all members of the Supervisory Board, other than the Independent SB Members, will resign from their positions as members of the Supervisory Board by executing a resignation letter. Each such Supervisory Board member will confirm that it has no claim whatsoever against the Company in respect of loss of office or otherwise, except with respect to compensation duly accrued prior to the Settlement Date. At the EGM, the general meeting will be requested to grant each of such resigning Supervisory Board members customary full and final discharge in respect of his or her position or duties as Supervisory Board member as per the Settlement Date, in order for each of these resigning members to be fully released from his or her duties as per the date of his or her resignation and provided that by the time of such resignation, no fraud, wilful misconduct or other criminal behaviour of such member has become apparent.

#### **3.5.3 Deviation Non-Financial Covenants**

The Executive Board and Supervisory Board, acting jointly, may deviate from the Non-Financial Covenants if they are of the opinion that such deviation is in the best interest of the Company taking into account the interest of all stakeholders, where the Supervisory Board will require the affirmative vote of at least one (1) Independent Board Member.

#### **3.5.4 Continuation governance arrangements**

In the event that the Asset Sale is completed, each of the governance arrangements included in the Merger Protocol, including the Non-Financial Covenants will be replicated at the level of the acquirer under the Asset Sale.

#### **3.5.5 Dutch Corporate Governance Code**

For as long as the Company remains listed on Euronext Amsterdam, it shall continue to adhere to the Dutch Corporate Governance Code, except for (i) current and future deviations from the aforementioned code in accordance with the provisions of the aforementioned code concerning such deviations and (ii) deviations from the aforementioned code which arise from the Merger Protocol. Reference is made to Refresco's annual report for the financial year 2016 on page 48 (Accountability Dutch Corporate Governance Code) for information as regards the current deviations from the Dutch Corporate Governance Code. No additional future deviations are currently expected, other than the deviation with respect to contemplated composition of the Supervisory Board arising from the Merger Protocol as set forth in Section 3.5.2 (*Composition of Supervisory Board*), which deviates from best practice 2.1.7 (Independence of the supervisory board) of the Dutch Corporate Governance Code.

#### **3.6 Extraordinary General Meeting of Shareholders of Refresco**

The Company shall convene an extraordinary general meeting of Shareholders as required in accordance with section 18 of the Takeover Decree (the EGM). The EGM shall be held at 14:00 hours CET on 5 March 2018.

At the EGM, the Shareholders shall be requested to, subject to the condition precedent of the Offer being declared unconditional (*gestand wordt gedaan*) and effective as per the Settlement Date, vote for:

- (a) the amendment of the Articles of Association in accordance with the draft articles of association included in Section 16 (*Proposed new articles of association post-settlement*), including (*inter alia*) the conversion of the Company from a public limited liability company (*naamloze vennootschap*) to a private limited liability company (*besloten vennootschap*) (such conversion, if any, may only occur following a de-listing of the Company);
- (b) the appointment of Jim Pittman, Julian Remedios, Nicolas Brugère and Frédéric Stévenin, all being designated by the Offeror, as new members to the Supervisory Board;
- (c) the granting of discharge to the resigning members of the Supervisory Board, with respect to their duties and obligations performed and incurred in their capacity as a member of Supervisory Board until the date of the EGM; and
- (d) subject to the Asset Sale Range being reached and effective as from the settlement of the post-Acceptance Period, the Asset Sale, dissolution of the Company, which may be implemented in accordance with Section 3.14 (*Post-Settlement Restructuring measures*);

(collectively, the **Resolutions** and each a **Resolution**).

Each Resolution shall be adopted if a simple majority of the votes cast is in favour of such Resolution.

Certain major shareholders of the Company have agreed to an irrevocable undertaking to, *inter alia*, vote in favour of the Resolutions, as further described in Section 3.12 (*Irrevocable Undertakings*).

### 3.7 Financing of the Offer

The Offeror announced in the Announcement that it has sufficient funds available to complete the Offer, in accordance with article 7, paragraph 4 of the Takeover Decree.

The Offer values 100% of the Shares at approximately EUR 1.623 billion.

The Offeror shall finance the Offer and, if applicable, the Asset Sale through a combination of shareholder funding made available on behalf of the Offeror and third party debt financing. In this context, the Offeror has received binding equity commitment letters including from entities managed, controlled and/or advised by PAI and bcIMC, for an aggregate amount of EUR 1,000,000,000, which are fully committed, subject to customary conditions (the **Shareholder Financing**). In addition, the Offeror has entered into binding loan documentation in respect of the debt financing with a consortium of reputable banks, providing the Offeror with the ability to draw down debt financing for an aggregate amount of EUR 2,415,000,000 subject to the terms and conditions set out therein, customary for a transaction of this nature (the **Debt Financing**). The Offeror has no reason to believe that any such conditions to the Shareholder Financing or the Debt Financing will not be fulfilled on or prior to the Settlement Date.

From the Shareholder Financing and the Debt Financing, the Offeror will be able to fund the acquisition of the Shares under the Offer, the consideration for the Business due under the

Asset Sale Agreement (if applicable), the refinancing of the Company's existing debt (including the refinancing of the debt associated with the Cott TB Acquisition) and the payment of fees and expenses related to the Offer.

### 3.8 Recommendation by the Boards

Throughout the process, the Boards have discussed on a frequent basis the progress of the negotiations with PAI and the bclMC group and the key decisions in connection therewith. The Boards have received extensive financial and legal advice and have given careful consideration to all aspects of the Offer, including strategic, financial, operational and social points of view.

The Consortium's support for Refresco's current buy-and-build strategy is considered a key element in that respect, as maintaining that strategy factors into all strategic, financial, operational and social points of view. After due and careful consideration, both the Executive Board and the Supervisory Board are of the opinion that the Offeror makes a compelling offer representing a fair price and attractive premium to Refresco's shareholders, as well as favourable non-financial terms. The Boards have unanimously resolved subject to the terms as laid down in this Offer Memorandum, that the Transactions are in the best interest of the Group, the Shareholders and the other stakeholders of the Group.

JPM has issued a fairness opinion to the Boards, and Rabobank has issued a fairness opinion to the Supervisory Board. Both have opined that (i) the Offer Price is fair, from a financial point of view, to the Shareholders and (ii) the aggregate value of the purchase price for the Business under the Asset Sale in accordance with the Asset Sale Agreement is fair to the Company from a financial point of view. The full text of each fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each fairness opinion, is included in the Position Statement.

Taking all these considerations into account, both the Executive Board and the Supervisory Board fully support the Offer and the Asset Sale, unanimously recommend to the Shareholders to tender their Shares under the Offer, and unanimously recommend that the Shareholders vote in favour of the Resolutions to be taken at the EGM (the **Recommendation**).

### 3.9 Offer Conditions

#### 3.9.1 Conditions

The Offeror shall declare the Offer unconditional, subject to the following conditions precedent (*opschortende voorwaarden*) being satisfied or waived in accordance with Section 3.9.2 of this Offer Memorandum (the **Offer Conditions**):

##### ***Acceptance level***

- (a) on the Acceptance Closing Date, the Tendered Shares together with the Shares, directly or indirectly held by the Offeror for its own account, represent either (i) at least 95% (ninety five per cent) of the Company's issued and outstanding share capital, as at the Acceptance Closing Date or (ii) 80% (eighty per cent) of the Company's issued and outstanding share capital, as at the Acceptance Closing Date, provided that the resolutions on the Asset Sale and Liquidation are adopted at the EGM prior to initial Acceptance Closing Date and are in full force and effect at the Acceptance Closing Date;

***No breach by the Offeror***

- (b) on or prior to the Unconditional Date, the Offeror has not breached the terms of the Merger Protocol and/or the Merger Rules to the extent that such breach has or could reasonably be expected to have a material adverse effect on the Company, the Offer, or any of the other Transactions;

***No breach by the Company***

- (c) on or prior to the Unconditional Date, neither the Company, nor the Boards, nor any members of the Boards has breached the terms of the Merger Protocol and/or the Merger Rules to the extent that such breach has or could reasonably be expected to have a material adverse effect on the Offer;

***No Material Adverse Effect***

- (d) no Material Adverse Effect has occurred or has become known to the Offeror after the start of the Acceptance Period;

***Completion of the Cott TB Acquisition***

- (e) the Cott TB Acquisition has been completed in accordance with the terms set forth in the Cott SPA (the Offeror and Refresco note that the Cott TB Acquisition is expected to be completed on 30 January 2018 and thus several weeks prior to the Acceptance Closing Date);

***Recommendation***

- (f) on or prior to the Acceptance Closing Date, neither of the Boards has revoked or modified, amended or qualified its Recommendation;

***No restraint orders***

- (g) on or prior to the Unconditional Date, no order, stay, judgment or decree has been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that is and remains in force and effect; and no statute, rule, regulation, governmental order or injunction has been proposed, enacted, enforced or deemed applicable to the Offer, any of which restrains, prohibits or delays or is reasonably likely to restrain, prohibit or delay the consummation of the Offer or any of the other Transactions on the terms set out in the Merger Protocol in any material respect or is reasonably likely to do so;

***Competition approvals***

- (h) on or prior to the Unconditional Date, each of the following events has occurred:
  - (i) with the exception of the competition approvals provided for in (ii) below, all material approvals, licences, exemptions and permissions of the competent competition authorities (the **Competition Authorities**) required for the consummation of the Offer have been obtained;
  - (ii) all mandatory pre-completion and competition approvals of the Competition Authorities, reasonably required in connection for the consummation of the Offer have been obtained; and
  - (iii) all waiting periods pursuant to applicable legislation have expired during which the Competition Authorities may oppose the consummation of the Offer or can take or announce steps, which could impede consummation of the Offer or in any other way result in material adverse effects for the Group or the Offeror;

***No listing measure***

- (i) on or prior to the Unconditional Date, trading in the Shares on Euronext Amsterdam has not been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules), the foregoing excluding for the avoidance of doubt any suspension on a temporary basis;

***No Wft breach***

- (j) on or prior to the Unconditional Date, no notification has been issued by the AFM pursuant to article 5:80(2) of the Wft that the preparation of the Offer is in breach of chapter 5 of the Wft, in which case, pursuant to those rules, investment firms (*beleggingsondernemingen*) would not be permitted to co-operate with the execution and completion of the Offer; and

***No Termination***

- (k) on or prior to the Unconditional Date, the Merger Protocol has not been terminated in accordance with its terms.

**3.9.2 Waiver of Offer Conditions**

The Offer Condition in Section 3.9.1(g) and Section 3.9.1(h) serves for the benefit of both the Offeror and the Company and may only be waived (either in whole or in part) by the Offeror and the Company jointly in writing.

The Offer Condition in Section 3.9.1(a) serves for the benefit of both Parties and may always be waived (either in whole or in part) by the Offeror with mutual written consent of the Boards, on the understanding that for a waiver by the Offeror down to 75% of the Company's issued and outstanding share capital, regardless whether the resolutions on the Asset Sale and Liquidation are adopted at the EGM prior to the initial Acceptance Closing Date, the written consent by the Boards shall not be unreasonably withheld.

The Offer Conditions in Section 3.9.1(c) through Section 3.9.1(h) are for the benefit of the Offeror and may be waived by the Offeror (either in whole or in part) at any time by written notice to the Company.

The Offer Condition in Section 3.9.1(b) serves for the benefit of the Company and may be waived by the Company (either in whole or in part) at any time by written notice to the Offeror.

The Offer Condition in Section 3.9.1(i), Section 3.9.1(j) and Section 3.9.1(k) cannot be waived.

**3.9.3 No subjective conditions**

The satisfaction of each of the Offer Conditions does not depend on the will of the Offeror as prohibited by article 12, paragraph 2 of the Takeover Decree.

**3.9.4 Satisfaction**

Each of the Offeror and the Company shall use its best efforts to procure the satisfaction of the Offer Conditions as soon as reasonably practicable. If it is ascertained by the Offeror that an Offer Condition is not, or is incapable of being, satisfied and the relevant Offer Condition is not waived, the Offeror shall, in accordance with the Merger Rules, make a public announcement in that respect.

The relevant parties have made all necessary filings to obtain the competition approvals and to otherwise satisfy the Offer Condition set out in Clause 3.9.1(h).

In this respect, the Offeror has initiated separate notification processes with the competent competition authorities in the European Union, United States of America and China, with the aim of receiving unconditional merger clearance in these jurisdictions prior to the Unconditional Date. If a Competition Authority is not willing to grant unconditional clearance or an unconditional statement of no objection in respect of the Offer, then the Offeror will offer such commitments as shall be reasonably required to obtain approval from the relevant Competition Authority.

### 3.9.5 **Material Adverse Effect Condition**

With respect to Offer Condition 3.9.1(d), the Offeror and the Company have agreed on a binding advice procedure in the event the Offeror considers this Offer Condition not satisfied and the Company disagrees. In such event, a binding advisor shall decide on the matter within ten (10) Business Days after the dispute having been referred to the binding advisor or such shorter period as the Offeror and the Company may agree, it being understood that a decision shall be rendered no later than noon CET on the Business Day before the Unconditional Date. The binding advisor shall be the President of the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam or, if this person is not able (for whatever reason) to provide the binding advice on time, another independent lawyer appointed by the President of the District Court of Amsterdam upon request of either the Offeror or the Company. The binding advice shall be final and binding upon the Offeror and the Company and each of the Offeror and the Company shall fully comply with the binding advice and the content thereof.

### 3.10 **Certain arrangements between the Offeror and Refresco**

Pursuant to the Merger Protocol, the Company and the Offeror have agreed to certain exclusivity arrangements, including how to deal with potential competing offers.

#### 3.10.1 **Exclusivity**

The arrangement with respect to exclusivity as described hereafter applies as from the date of the Merger Protocol until the earlier of (i) the date of termination of the Merger Protocol in accordance with its terms, or (ii) midnight on the Settlement Date.

3.10.1.1 Except as permitted pursuant to Section 3.10.1.3 (*Exclusivity*), the Company shall not, and shall ensure that the Group and their respective directors, officers, employees, advisors, agents and representatives, including without limitation, the members of the Boards (**Relevant Persons**) shall not, in any way, directly or indirectly, solicit, initiate, or encourage (including by way of furnishing information) or take any other action to facilitate, nor enter into or continue any discussions or negotiations with any third party with respect to a potential offer or proposal for a potential offer for all or part of the Shares or for the whole or part of the businesses or assets of the Group or any proposal involving the potential acquisition of a substantial interest in the Group, a legal merger or demerger involving the Company or any of its Group Companies, or a reorganisation or re-capitalisation of the Company and/or any of the Group Companies (each an **Alternative Transaction**).

3.10.1.2 The Company will:

- (a) notify the Offeror promptly (and in any event within 24 (twenty-four) hours from receipt) orally and in writing if any communication, invitation, approach or enquiry, or any



request for information, is received by the Company or any of its Relevant Persons, from any third party in relation to an Alternative Transaction (an **Alternative Proposal**). Such notification includes (at a minimum) the identity of such third party, the proposed consideration, transaction structure, the conditions to (the making and consummation of) the Alternative Transaction and other key terms of such Alternative Proposal, so as to enable the Offeror to consider its position in light of such Alternative Proposal and to assess the (possible) effects of such Alternative Proposal on the Offer and the Offer's chances of success; and

- (b) keep the Offeror immediately informed of any further material developments in relation to such Alternative Proposal.

Following receipt of an Alternative Proposal, the Company has the obligation to continue (i) to cooperate with the Offeror and (ii) to support the Offer and the other Transactions in accordance with the terms of the Merger Protocol.

- 3.10.1.3 The Company, the Boards and/or the members of the Boards are permitted to respond to an unsolicited Alternative Proposal by a bona fide third party and to investigate such Alternative Proposal and enter into discussions or negotiations with, and provide information to, such third party in order to determine whether such Alternative Proposal may qualify as a Potential Competing Offer as described in Section 3.10.2.1 (*Exclusivity*).
- 3.10.1.4 The Company has confirmed that it nor its Relevant Persons were on the date of signing of the Merger Protocol in discussions or negotiations with any third party regarding an Alternative Proposal and that they were not engaged in any actions designed to frustrate the Offer and the other Transactions at the date of signing of the Merger Protocol.
- 3.10.1.5 Upon a breach of the Company and/or any of the Relevant Persons of their obligations pursuant to this Section 3.10.1 (*Exclusivity*), the Offeror shall be entitled to forthwith terminate the Merger Protocol, in accordance with Section 3.10.6(d) (*Termination*) and withdraw the Offer.

### 3.10.2 **Potential Competing Offer**

- 3.10.2.1 In the event that the Company receives an Alternative Proposal from a third party who, in the reasonable opinion of the Boards is a bona fide third party and which Alternative Proposal in the reasonable opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, is reasonably likely to evolve into a Competing Offer as described in Section 3.10.3 (*Competing Offer*) (a **Potential Competing Offer**), the Company will:
  - (a) forthwith (but in any event within 36 (thirty-six) hours) after the Boards have determined that such Alternative Proposal qualifies as a Potential Competing Offer, notify the Offeror thereof in writing and, to the extent the Company has not done so in accordance with Section 3.10.1.2 (*Exclusivity*) provide all key details on the Potential Competing Offer, insofar as the Company is aware of such details, to the Offeror. Such notification includes the identity of such third party and its advisers, the proposed consideration and the financing thereof, the transaction structure, the non-financial covenants and the conditions to commencement of the Potential Competing Offer and to the Potential Competing Offer being declared unconditional (the **Potential Competing Offer Notice**); and
  - (b) keep the Offeror immediately informed of any further developments in connection with such Potential Competing Offer.

3.10.2.2 In the event that the Alternative Proposal has been determined by the Boards to not constitute a Potential Competing Offer, the Company must forthwith confirm to the Offeror that it continues to support the Offer, that the Boards will continue to support and recommend the Offer and the other Transactions as contemplated in the Merger Protocol, that it has discontinued considering, and has terminated any discussions and negotiations regarding, that or any other Alternative Proposal from such third party. These confirmations by the Company shall be made public if the relevant Alternative Proposal has also been communicated in public or otherwise at the Offeror's request.

3.10.2.3 Following the qualification of an Alternative Proposal by the Boards as a Potential Competing Offer as described in Section 3.10.2.1 (*Potential Competing Offer*) the Company may:

- (a) engage in discussions or negotiations with such third party regarding such Potential Competing Offer;
- (b) provide information to such third party;
- (c) consider such Potential Competing Offer; and
- (d) make public announcements in relation to a Potential Competing Offer to the extent required under the applicable Merger Rules,

for a period of no longer than ten (10) Business Days following the date on which the Boards have determined that the Alternative Proposal constitutes a Potential Competing Offer (the **Potential Competing Offer Period**), provided that (i) the Company shall continue to cooperate with the Offeror in accordance with the terms of the Merger Protocol, (ii) information provided by the Company to such third party shall, to the extent practicable and not already provided to the Offeror, simultaneously be provided by the Company to the Offeror, and (iii) prior to providing any information or data to any person in connection with such Potential Competing Offer, the relevant third party shall first sign a confidentiality agreement on terms no less stringent than those of the confidentiality agreement entered into by PAI, bcIMC and the Company prior to the Merger Protocol.

3.10.2.4 Before the end of the Potential Competing Offer Period, the Company must either give written notice to the Offeror that:

- (a) by then the Potential Competing Offer has been determined by the Boards to constitute a Competing Offer, in which case the Company shall, as soon as possible, immediately initiate the steps set out in Section 3.10.4 (*Procedure in case of a Competing Offer - Revised Offer*); or
- (b) the Potential Competing Offer has been determined by the Boards to not constitute a Competing Offer, in which case the Company must immediately confirm to the Offeror that it continues to support the Offer, that the Boards will continue to support and recommend the Offer and the other Transactions as contemplated in the Merger Protocol, that it has discontinued considering, and has terminated any discussions and negotiations regarding, that Potential Competing Offer and any Alternative Proposal from such third party, it being understood that these confirmations by the Company shall be made public if the relevant Potential Competing Offer or Alternative Proposal has also been communicated in public or otherwise at the Offeror's request.

The Boards shall not be entitled to determine that any Potential Competing Offer constitutes a Competing Offer without first complying with the procedures set out in this Section 3.10.2 (*Potential Competing Offer*).

### 3.10.3 **Competing Offer**

For the purpose of this Offer Memorandum, a competing offer is a credible and written proposal by a *bona fide* third party relating to an Alternative Transaction, (i) which is not solicited, encouraged or initiated by the Company or any Relevant Persons, and (ii) which proposal in the reasonable opinion of the Boards, taking into account their fiduciary duties and after having considered advice of their financial and legal advisers, is more beneficial to the Company, its business, the Shareholders and the other stakeholders of the Company than the Offer,

- (a) taking into account the overall terms and conditions set out in the Merger Protocol (including proposed changes to the terms of the Merger Protocol proposed by the Offeror in response to such Alternative Proposal or otherwise);
- (b) and with respect to such Alternative Proposal, taking into account the identity and track record of the Offeror compared to that of such third party, the overall terms and conditions of such Alternative Proposal such as certainty of execution (including financing on a certain funds basis and merger clearance), the conditionality, the nature of the consideration and the non-financial covenants for the protection of stakeholders in the Company; and
- (c) provided that (i) the consideration payable to the Shareholders in connection with such Alternative Proposal, shall exceed the valuation of the Company based on the Offer Price by at least 7.5% (seven and a half percent) (on the basis of equity value), (ii) the Alternative Proposal i.e. the Competing Offer is binding on the third party, and (iii) such Alternative Proposal will not be subject to any financing condition or contingency.

(the **Competing Offer**).

### 3.10.4 **Procedure in case of a Competing Offer - Revised Offer**

In the event that a Potential Competing Offer has been determined by the Boards to constitute a Competing Offer, or a third party otherwise makes, or announces its intention to make, a Competing Offer or informs the Company directly or (any member of) the Boards that it will make a Competing Offer, the following shall apply:

- (a) The Company shall promptly (but in any event within 24 hours) notify the Offeror in writing of such event and shall provide all key details on the Competing Offer, insofar as the Company is aware of such details, to the Offeror, including the identity of such third party and its advisers, the proposed consideration and financing thereof, the non-financial covenants and the conditions to commencement of the Competing Offer and to the Competing Offer being declared unconditional (the **Competing Offer Notice**). Furthermore, the Company shall keep the Offeror informed of any material developments in relation to such Competing Offer.
- (b) The Offeror shall have the right to submit in writing to the Boards a revision of its Offer within a period of 5 (five) Business Days following the date on which the Offeror has received the Competing Offer Notice (the **Revised Offer Period**) and during the Revised Offer Period the Offeror and the Company shall discuss the terms and conditions thereof. During the Revised Offer Period the Company shall continue to cooperate with and support the Offer and the other Transactions in accordance with the terms of the Merger Protocol.
- (c) If, on balance, the terms and conditions of such revised offer are, in the reasonable opinion of the Boards, having consulted their financial and legal advisers and acting in

good faith and observing their obligations under Dutch law, at least equal to those of the Competing Offer, such offer shall qualify as a **Revised Offer**.

- (d) If the Offeror has announced a revision of its Offer to the Boards within the Revised Offer Period and the Boards have qualified such revision as a Revised Offer, the Company shall not be entitled to accept and/or recommend the Competing Offer or terminate the Merger Protocol, and the Company and the (members of the) Boards shall remain bound to the terms and conditions of the Merger Protocol, including with respect to (Potential) Competing Offers.
- (e) If, within the Revised Offer Period, the Offeror has not announced a revision of its Offer to the Boards, or the Offeror has informed the Company in writing that it does not wish to make a revision of its Offer, then:
  - (i) the Company may accept the Competing Offer; provided that (A) such acceptance must be made within 3 (three) Business Days after the earlier of (i) the end of the Revised Offer Period and (ii) the date of any written notice by the Offeror of its decision not to make a revision of its Offer, with written notice thereof concurrently provided to the Offeror, (B) simultaneously with such acceptance, the Company must (x) terminate the Merger Protocol in accordance with Section 3.10.6(e) (*Termination*) and (y) pay the termination compensation in accordance with Section 3.11 (*Termination Compensation*); or
  - (ii) the Offeror may immediately terminate the Merger Protocol in accordance with Section 3.10.6(f) (*Termination*), in which event the Company shall pay the termination compensation in accordance with Section 3.11 (*Termination Compensation*).

### 3.10.5 Consecutive (Potential) Competing Offers

If the Offeror has matched any Competing Offer in accordance with Section 3.10.4 (*Procedure in case of a Competing Offer - Revised Offer*), Section 3.10.4 will apply *mutatis mutandis* to any other, consecutive or amended (Potential) Competing Offer, including a (Potential) Competing Offer following a Revised Offer, except that the quantitative threshold (as set out in Section 3.10.3(c) (*Competing Offer*)) shall then read 5% (five per cent).

### 3.10.6 Termination of the Merger Protocol

The Merger Protocol terminates and the rights and obligations thereunder may be terminated:

- (a) by mutual written consent of the Offeror and the Company;
- (b) by notice in writing given by either the Offeror or the Company as the terminating party (the **Terminating Party**) to the other party to the Merger Protocol if any of the Offer Conditions for the benefit of the Terminating Party has not been satisfied or waived by the Terminating Party on the Acceptance Closing Date, or if it is apparent that such Offer Conditions cannot be satisfied and will not be waived by the Terminating Party, on any date before such Acceptance Closing Date, provided that any such non-satisfaction of the relevant Offer Condition is not due to a breach by the Terminating Party of any of its obligations under the Merger Protocol;
- (c) by notice in writing given by the Terminating Party to the other party to the Merger Protocol in the event of a material breach of the Merger Protocol by such other party (the **Defaulting Party**) which breach has or is expected to have a material adverse

effect on the Offer or the Company (a **Material Breach**), provided that such Material Breach (i) has not been waived by the Terminating Party, or (ii) has not been remedied by the Defaulting Party within ten (10) Business Days after receipt of the written notice of the Terminating Party, provided that the Defaulting Party shall not be entitled to such remedy period if the Material Breach is not capable of being remedied;

- (d) by notice in writing by the Offeror to the Company pursuant to Section 3.10.1.5 (*Exclusivity*);
- (e) by notice in writing by the Company to the Offeror pursuant to Section 3.10.4(e)(i) (*Procedure in case of a Competing Offer - Revised Offer*);
- (f) by notice in writing by the Offeror to the Company pursuant to Section 3.10.4(e)(ii) (*Procedure in case of a Competing Offer - Revised Offer*); and
- (g) by notice in writing by the Offeror in the event the Company or the Boards have revoked, withdrawn, amended or qualified the Recommendation or made any contradictory statements as to their position regarding the Offer or the other Transactions in breach of Section 3.8 (*Decision-making and Recommendation by the Boards*).

### 3.11 Termination compensation

The Company shall, immediately upon first written request thereto, pay an amount to the Offeror equal to EUR 16.2 million in cash (without any right to set-off) as reimbursement and compensation for any and all damages, costs and expenses incurred by the Offeror in connection with the Offer, if the Merger Protocol is terminated:

- (a) by the Offeror pursuant to Section 3.10.6(c) (*Termination of the Merger Protocol*), if and to the extent the Material Breach referred therein pertains to the undertaking set out Section 3.6(d) (*Extraordinary General Meeting of Shareholders of Refresco*);
- (b) by the Offeror pursuant to Section 3.10.6(d) (*Termination of the Merger Protocol*);
- (c) by the Company pursuant to Section 3.10.6(e) (*Termination of the Merger Protocol*);
- (d) by the Offeror pursuant to Section 3.10.6(f) (*Termination of the Merger Protocol*); or
- (e) by the Offeror pursuant to Section 3.10.6(g) (*Termination of the Merger Protocol*).

### 3.12 Irrevocable Undertakings

The Major Shareholders have irrevocably agreed with the Offeror to, on or before the initial Acceptance Closing Time, tender all Shares held by them under the Offer and to vote in favour of the Resolutions, subject to (i) the Offer being declared unconditional (*gestand wordt gedaan*), and (ii) the Offer not being withdrawn.

In addition, Mr. H. Roelofs (CEO of Refresco) and Mr. A. Duijzer (CFO of Refresco) acting together through OKIL Holding B.V., as well as Mr. V. Delozière (COO Europe of Refresco) and Mr. T. de Kool (a member of the Supervisory Board) have also irrevocably agreed with the Offeror to, on or before the initial Acceptance Closing Time, tender all Shares held by them under the Offer, subject to (i) the Offer being declared unconditional, and (ii) the Offer not being withdrawn.

The irrevocable undertakings jointly represent approximately 26.5% of all issued and outstanding Shares and shall terminate, *inter alia*, if the Merger Protocol is terminated in



accordance with Section 3.10.6 (*Termination of the Merger Protocol*), if the Boards withdraw or amend their recommendation of the Offer, or upon the long stop date of 1 April 2018. The irrevocable undertakings being in full force and effect are not a condition for the Offeror to declare the Offer unconditional.

The parties who entered into these irrevocable undertakings have not received any relevant information in connection with the Offer that is not included in this Offer Memorandum and they will tender their Shares on the same terms and conditions as the other Shareholders.

### **3.13 Conditional Shares**

In connection with the Company's share plans, *i.e.* the 'Refresco Group N.V. Long Term Incentive Plan' and the 'Refresco Group N.V. Management Participation Plan', as per the date of signing of this Offer Memorandum, Group employees and members of the Executive Board had rights, as the case may be, with respect to or comprising, as the case may be, a maximum number of 196,472 Shares (the **Conditional Shares**). The Company has taken all actions necessary and appropriate, including obtaining all consents and/or waivers from the holders of Conditional Shares, to arrange that all unvested Conditional Shares are cancelled and/or settled in cash in accordance with the relevant share scheme.

### **3.14 Post-Settlement Restructuring measures**

Shareholders who do not intend to tender their Shares under the Offer should carefully review this Section 3.14 (*Post-Settlement Restructuring measures*) and Section 3.15 (*Consequences of the Offer*), which describe certain risks they will be subject to if they elect not to accept the Offer and certain measures the Offeror may take to achieve its goal of obtaining 100% of the Shares. These risks are in addition to the risks associated with holding securities issued by the Company generally, such as the exposure to risks related to the business of the Company and its subsidiaries, the markets in which the Group operates, as well as economic trends affecting such markets generally as such business, markets or trends may change from time to time.

The Offeror seeks to acquire 100% of the Shares and/or the business and operations of the Company, through the Offer and other subsequent restructuring steps (if necessary). These steps are likely to have significant consequences for Shareholders who do not tender their Shares under the Offer, including the possibility of a substantial delay in the receipt by them of their proceeds. No decision in respect of pursuing such other subsequent restructuring steps as set out in this Section 3.14 (*Post-Settlement Restructuring measures*) has been taken by the Offeror and no such decision is envisaged to be taken prior to the Offer being declared unconditional.

#### **3.14.1 Squeeze-Out procedures**

It is the intention of the Offeror to acquire ultimately one hundred per cent (100%) of the Shares or full ownership (legal and beneficial) of the Group's business. If, following the Settlement Date, the Offeror and its Affiliates, alone or together with the Company, hold at least 95% (ninety-five per cent) of the issued and outstanding share capital of the Company, the Offeror shall commence a compulsory acquisition procedure in accordance with article 2:92a or 2:201a of the DCC or the takeover buy-out procedure in accordance with article 2:359c of the DCC to buy out the Shareholders who have not tendered their Shares under the Offer (the **Buy-Out**). The Company has agreed to provide the Offeror with any assistance as may be reasonably required in connection with such procedures, including, if needed, joining such proceedings as co-claimant.



### 3.14.2 Importance of 100% ownership

Taking account of the strategic rationale of the Offer as set forth in Section 3.3 (*Rationale for the Offer*), the Company has acknowledged that the terms of the Offer are predicated on the acquisition of 100% of the Shares or the Company's assets and operations. This importance is based, *inter alia*, on:

- (a) the fact that having a single shareholder and operating without a public listing increases the Group's ability to achieve the goals and implement the actions of its strategy and reduces the Group's costs (*e.g.* there will no longer be a requirement for physical general meetings and the Offeror and the Company shall no longer have to publish separate annual accounts);
- (b) the ability of the Company and the Offeror to terminate the listing of the Shares from Euronext Amsterdam, and all resulting cost savings therefrom;
- (c) the ability to achieve an efficient capital structure (both from a Tax and financing perspective, including the ability to form a fiscal unity between the Offeror and the Company), which would, amongst others, facilitate intercompany transactions and dividend distributions;
- (d) the impact of the existence of outside shareholders on the availability and terms of the financing of the Offer;
- (e) the ability to implement and focus on achieving long-term strategic goals of the Company, as opposed to short-term performance driven by quarterly reporting; and
- (f) as part of the long-term strategic objectives the ability to focus on pursuing and supporting (by providing access to equity and debt capital) continued buy-and-build acquisition opportunities as and when they arise.

In light of the above and the fact that the Offeror's willingness to pay the Offer Price and pursue the Offer is predicated on the acquisition of 100% of the Shares, the Company has resolved to agree to the Asset Sale and Liquidation (as defined below). The Offeror and Refresco have agreed and attached to the Merger Protocol a separate agreement which sets forth the terms and conditions pursuant to which the Company will sell and deliver its entire business (consisting of all assets and liabilities) (the **Business**) to the Offeror or an Affiliate of the Offeror (the **Asset Sale**) (such agreement the **Asset Sale Agreement**), as further explained in the next paragraph.

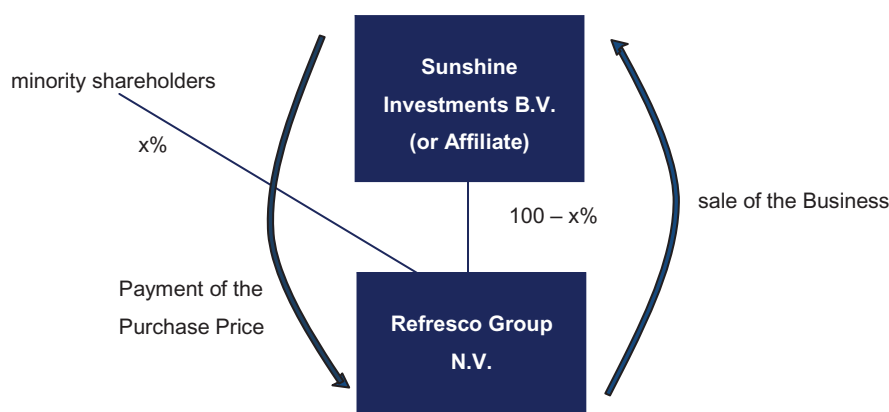
### 3.14.3 Asset Sale and Liquidation

If following the post-Acceptance Period, the Asset Sale Range has been achieved and the resolutions on the Asset Sale and Liquidation have been adopted by the EGM, the Company shall, upon the Offeror's request, execute the Asset Sale Agreement and sell and deliver the Business to the Offeror or an Affiliate of the Offeror and the Offeror and the Company shall promptly implement the Asset Sale, procure payment of the Second Step Distribution (as defined below) and commencement of the liquidation and dissolution of the Company (the **Liquidation**). In principle, the Asset Sale and Liquidation would consist, in summary, of the following main terms:

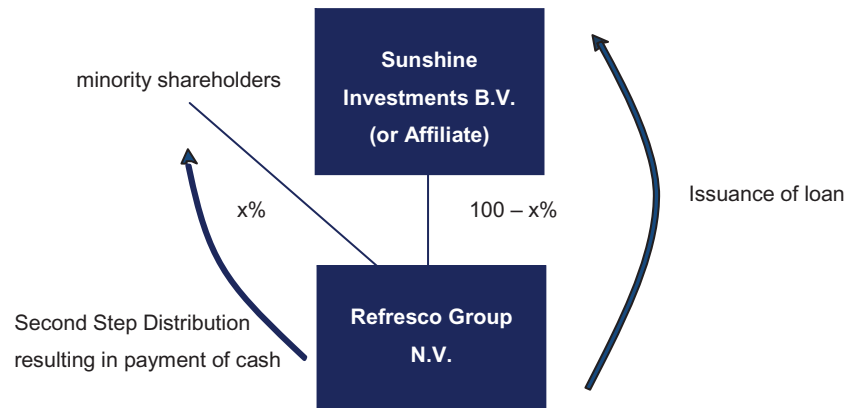
- (a) Immediately after the post-Acceptance Period, the Offeror and the Company establish the number of Shares tendered under the Offer and if Offeror is, under applicable law, permitted to initiate the Buy-Out (*i.e.* if the percentage of Shares acquired following the Offer is at least equal to 95%). If the Offeror is permitted to initiate the Buy-Out, it will

do so. If the Offeror is not permitted to initiate the Buy-Out but the Asset Sale Range has been achieved, the Offeror will pursue implementation of the Asset Sale and Liquidation and therefore request the Company to execute and implement the Asset Sale Agreement, provided that the resolutions on the Asset Sale and Liquidation have been adopted by the EGM.

- (b) Pursuant to the Asset Sale Agreement, the Business shall be transferred from the Company to the Offeror or an Affiliate of the Offeror against payment by the Offeror or such Affiliate of the Offeror to the Company of an amount equal to the Offer Price per Share multiplied by the total number of Shares issued and outstanding immediately prior to completion (the **Purchase Price**). The Offeror shall procure that the Purchase Price shall be sufficient to pay an amount equal to the Offer Price to the Shareholders per issued and outstanding Share, without interest and after deduction of dividend withholding or other Tax if and to the extent so required by applicable law.

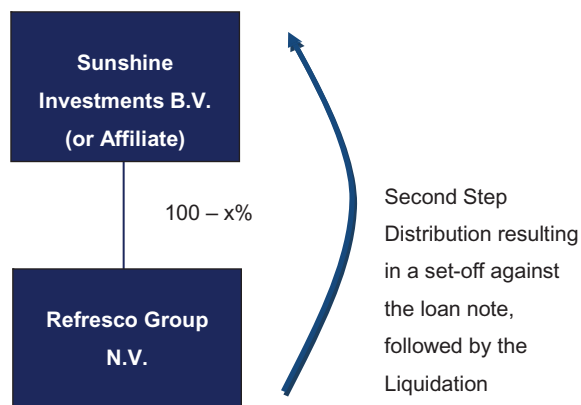


- (c) Upon execution of the Asset Sale Agreement, any and all of the Company's rights and obligations under the Merger Protocol (including the Non-Financial Covenants) shall be assigned, transferred and applicable to the Offeror or an Affiliate of the Offeror.
- (d) Subsequently, the Company shall be dissolved and liquidated (*vereffend*) in accordance with article 2:19 of the DCC et seq. (the **Liquidation**). The Liquidation of the Company, including one or more intended advance liquidation distributions within the meaning of article 2:23b(6) of the DCC (such advance liquidation distributions collectively: the **Second Step Distribution**), will result in the payment of an amount equal to the Offer Price per Share, without interest and subject to withholding and other Taxes. Any costs and expenses incurred by the Company in connection with the Liquidation will be borne by the Offeror. Upon the Second Step Distribution:
- (i) Shareholders who have not tendered their Shares under the Offer and who are still Shareholders at the time of the Liquidation, receive a cash amount equal to the Offer Price times the Shares held by such Shareholder, without interest and subject to withholding and other Taxes; and
  - (ii) the Offeror's obligation to pay the remaining part of the Purchase Price will be set off against the Second Step Distribution.



The withholding and other Taxes, if any, imposed on such Shareholder may be different from, and greater than, the Taxes imposed upon a Shareholder that tenders its Shares under the Offer. Consequently, if the Asset Sale and Liquidation is pursued, the net amount received by a Shareholder who remains a Shareholder up to and including the time of the Asset Sale and Liquidation will depend upon such Shareholder's individual Tax circumstances and the amount of any required withholding or other Taxes.

- (e) To the extent that the Second Step Distribution is subject to withholding or other Taxes, the Company shall withhold the required amounts from the Second Step Distribution as required by applicable laws. To the extent possible, the Second Step Distribution shall be imputed to paid-in capital (*nominaal aandelenkapitaal en agioreserve*) and not to retained earnings (*winstreserve*), as each such term is defined under applicable accounting principles.
- (f) Following the Second Step Distribution, the Offeror and the Company shall procure the de-listing of the Shares from Euronext Amsterdam and proceed with the conversion of the Company from a public limited liability company (*naamloze vennootschap met beperkte aansprakelijkheid*) to a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).
- (g) The liquidator (*vereffenaar*) shall, as promptly as practicable, with the assistance of the Offeror, wind up the affairs of the Company, satisfy all valid claims of creditors and others having claims against the Company all in full compliance with applicable laws.
- (h) Once the Liquidation of the Company is completed, the Company will cease to exist by operation of law



### 3.14.4 Other Post-Settlement Restructuring

3.14.4.1 Without prejudice to Section 3.15.1 (*De-listing and liquidity of the Shares*) and subject to Section 3.14.3 (*Asset Sale And Liquidation*), after completion of the Offer and the post-Acceptance Period, the Offeror may choose to pursue a different restructuring of the Group, other than the Asset Sale, in the event such alternative restructuring would achieve an improved operational, legal, financial and/or tax structure in accordance with the Merger Rules and Dutch law in general, some of which may have the (side) effect of diluting the interests of any remaining minority Shareholders (together with the Buy-Out and the Asset Sale, including the dissolution of the Company and appointment of a liquidator: the **Post-Settlement Restructuring**), including:

- (a) a domestic or cross-border (bilateral or triangular) legal merger (*juridische (drie)hoeks-fusie*) in accordance with article 2:309 *et seq* DCC, between the Company, the Offeror and/or one or more Affiliates of the Offeror;
- (b) a legal demerger (*splitsing*) in accordance with article 2:334a *et seq* DCC;
- (c) a conversion of the Company into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*);
- (d) a (subsequent) public takeover bid (*openbaar bod*) for any Shares held by Shareholders other than the Offeror and/or any of its Affiliates;
- (e) a contribution of cash and/or assets by the Offeror, or by an Affiliate of the Offeror, in exchange for Shares or preference shares in the Company's share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of other Shareholders may be excluded;
- (f) a distribution of proceeds, cash and/or assets to the Shareholders in the form of a distribution out of reserves, an interim dividend, a final dividend, payment upon cancellation or, if the Company is dissolved (*ontbonden*), a liquidation distribution;
- (g) an exchange of all, or substantially all, of the assets of the Company and/or of a Group Company, directly or indirectly following a transfer of those assets to a Group Company;
- (h) the acquisition of Shares through open market purchases;
- (i) any intra group transactions aimed at optimising the operations of the combined companies of the Offeror and the Company and their respective Affiliates;
- (j) a (subsequent) dissolution (*ontbinding*) and liquidation (*vereffening*) of the Company;
- (k) any combination of the foregoing; or
- (l) any transactions, restructurings, share issues, procedures and/or proceedings in relation to the Company and/or one or more of its Affiliates, required to reach the aforementioned objectives.

3.14.4.2 The Offeror may also initiate any such Post-Settlement Restructuring measures as described under Section 3.14.4.1 (*Other Post-Settlement Restructuring*) at any time after the Settlement Date, if and when it is entitled to do so pursuant to Section 3.14.4.1 (*Other Post-Settlement Restructuring*), with respect to shares in any successor entity of the Company, created through a legal merger or otherwise.

Any or all of the Post-Settlement Restructuring measures described in Section 3.14.4.1 (*Other Post-Settlement Restructuring*) may be applied cumulatively, alternatively, or not at all, at the discretion of the Offeror, subject to applicable provisions of Dutch law and the Articles of Association in force at the relevant time.

### **3.15 Consequences of the Offer**

Shareholders who do not tender their Shares under the Offer should furthermore carefully review this Section 3.15 (*Consequences of the Offer*), which describes certain risks they will be subject to if they elect not to accept the Offer. These risks are in addition to the risks associated with holding securities issued by Refresco generally, such as the exposure to risks related to the business of the Refresco Group, the markets in which the Refresco Group operates, as well as economic trends affecting such markets generally as such business, markets or trends may change from time to time. The following is a summary of the key additional risks.

#### **3.15.1 De-listing and liquidity of the Shares**

As soon as practicable after the Settlement Date, the Company and the Offeror shall seek (i) to procure the de-listing of the Shares on Euronext Amsterdam in accordance with applicable rules and regulations of Euronext Amsterdam, and (ii) to have the Offeror or any of its Affiliates acquire all Shares that have not been tendered under the Offer or are not yet otherwise owned by the Offeror and/or any of its Affiliates.

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and thus adversely affect the liquidity of the Shares not tendered.

In accordance with Euronext Amsterdam Notice 2004-041, Euronext Amsterdam, in general, permits a de-listing in the case of a public offer if such public offer for all relevant shares is declared unconditional (*gestand gedaan*) and the bidder subsequently owns at least 95% of such shares. Should the Offeror decide to terminate the listing of the Company, such termination will further adversely affect the liquidity of any Shares not tendered.

In addition, the Offeror may initiate any of the procedures as set out in Section 3.14.3 (*Asset Sale And Liquidation*) and Section 3.14 (*Other Post-Settlement Restructuring*), including procedures which would result in the termination of the listing of the Shares (including Shares not being tendered).

#### **3.15.2 Reduced governance rights**

In the event that the Company or its successor entity will no longer be listed and its Shares will no longer be publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority shareholders will be limited to the statutory minimum.

#### **3.15.3 Controlling Shareholder**

Following the Settlement Date, the Offeror will be able to control the Company's general meeting and the Offeror may appoint and/or procure the appointment of certain members to the Boards, as further described in Section 3.5 (*Governance Post-Settlement*).

#### **3.15.4 Other measures**

Subject to the terms and conditions of this Offer Memorandum, the Offeror reserves the right to submit proposals to the Shareholders in order to change the corporate structure and the

capital structure of the Company and/or achieve an optimal financial or other structuring, including amendments to the Articles of Association, a debt push-down (*inter alia* by means of an upstream loan or interim dividends) and/or changes in the accounting policies applied by the Group, all in accordance with Dutch law and the Articles of Association. The amendments to the Articles of Association mainly relate to (i) the conversion of the Company from a public limited liability company (*naamloze vennootschap*) to a private limited liability company (*besloten vennootschap*), (ii) changes to the governance of the entity in relation thereto, and (iii) the (minimal) number of Management Board members and Supervisory Board members.

#### **3.15.5 Dividend policy**

Following the Settlement Date, the current dividend policy of Refresco may be discontinued and Shareholders should be aware that the Company may not pay cash dividends in the future. Future dividends, if any, may be of a one off nature only and the amount of any dividends will depend on a number of factors associated with the Offeror's Tax and financial preferences from time to time. Any distribution made in respect of the Shares after the Settlement Date will be deducted for the purpose of establishing the value per Share in any statutory merger, takeover buy-out procedure, squeeze-out procedure or other measure contemplated by Sections 3.14.3 (*Asset Sale and Liquidation*) and 3.14.4 (*Other Post-Settlement Restructuring*).

#### **3.15.6 Tax treatment of distributions**

The Offeror has no insight into and no responsibility with respect to the Tax treatment of Shareholders with respect to any distributions made by the Company or any successor entity to the Company, which may include dividends, repayments of share premium, repayments of capital and liquidation distributions. In the event that there is a sale of all, substantially all, or part of the assets of the Company, followed by a dissolution and liquidation and a distribution of the sale proceeds as described in Section 3.14.3 (*Asset Sale and Liquidation*), or there is any other Post-Settlement Restructuring as described in Section 3.14.4 (*Other Post-Settlement Restructuring*) this may raise specific Tax issues for Shareholders, including without limitation a liability to Dutch dividend withholding tax, as further described in Section 9 (*Dutch Tax aspects of the Offer*). To the extent Dutch dividend withholding tax is not fully creditable against other Tax liabilities of the Shareholders, the after-Tax return may be significantly lower than the return that would have been realised had the Shares been tendered under the Offer.

#### **3.16 Employee consultation**

The relevant trade unions involved and the secretariat of the Social Economic Council (*Sociaal Economische Raad*) have been informed in writing of the Offer in accordance with the Merger Rules.

The Company has prior to the start of the Acceptance Period taken all actions reasonably necessary to initiate and conduct consultations with its Works Council in respect of the required advice from its Works Council for the financing of the Transactions.



## **4 INVITATION TO SHAREHOLDERS**

Subject to the terms and conditions of this Offer Memorandum, the Offeror hereby makes a recommended public cash offer to all Shareholders, for all Shares.

Shareholders are advised to review this Offer Memorandum and the related documents included, referred to herein or enclosed herewith thoroughly and completely and to seek independent advice where appropriate in order to reach an informed judgment with respect to the Offer and this Offer Memorandum. Shareholders who consider not tendering their Shares are advised to review Section 3.14 (*Post-Settlement Restructuring measures*) and Section 3.15 (*Consequences of the Offer*). With reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms, conditions and restrictions set out in this Offer Memorandum.

### **4.1 Offer Price**

#### **4.1.1 Offer Price**

For each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred under the Offer, and which has not been validly withdrawn, subject to the Offeror declaring the Offer unconditional, the Offeror offers a cash amount of EUR 20 per Share (cum dividend) without interest and subject to any required withholding of Taxes.

#### **4.1.2 Distributions**

The Offer Price is cum dividend. This means that the Offer Price includes any (interim) dividend, whether in cash, shares or otherwise declared or paid by the Company on the Shares in the period between the date of the Merger Protocol and the Settlement Date. The Company confirms that no such dividend has been declared or paid between the date of the Merger Protocol and the date of this Offer Memorandum.

If the Company were to declare or pay any (interim) dividend, whether in cash, shares or otherwise, on the Shares in the period between the date of the Merger Protocol and the Settlement Date, the Offer Price will be reduced by deducting any pre-Tax amounts so declared or distributed on a Share from the Offer Price.

Any adjustment of the Offer Price resulting from a dividend declaration or payment by the Company will be communicated by press release in accordance with Section 4.13 (*Announcements*).

### **4.2 Acceptance of the Offer and Tender**

Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known via their custodian, bank or stockbroker no later than 17:40 hours CET on 30 March 2018, unless the Acceptance Period is extended in accordance with Section 4.7 (*Extension of the Acceptance Period*). Custodians, banks or stockbrokers may set an earlier deadline for Shareholders to communicate acceptances of the Offer in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Exchange Agent in a timely manner.

The Admitted Institutions may tender Shares for acceptance only to the Exchange Agent and only in writing. In tendering the acceptance, the Admitted Institutions are required to declare that (i) they have the tendered Shares in their administration, (ii) each Shareholder who

accepts the Offer irrevocably represents and warrants that (a) the Shares tendered by him are being tendered in compliance with the restrictions set out in Section 1 (*Restrictions and important information*) and (b) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended, and (iii) they undertake to transfer these Shares to the Offeror prior to or ultimately on the Settlement Date.

Without prejudice to the provisions of the Takeover Decree, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions (i) to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Exchange Agent on or prior to the Settlement Date if the Shares have been accepted for purchase or if withdrawal rights are available) and (ii) to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Shares tendered, against payment by the Exchange Agent of the Offer Price in respect of those Shares.

#### **4.3 Validity of tendered Shares and waiver of defects**

The Offeror will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Shares, in its sole reasonable discretion and the Offeror’s determination will be final and binding. The Offeror reserves the right to reject any and all tenders of Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. The Offeror’s interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding.

There shall be no obligation on the Offeror, the Exchange Agent, or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification.

The Offeror reserves the right to accept any tender of Shares pursuant to the Offer, even if such tender has not been made in compliance with the terms and conditions of the Offer (including the procedures set forth in this Section 4.1.1 (*Acceptance of the Offer and Tender*)).

If any Shares tendered in accordance with the instructions set forth in this Offer Memorandum are not accepted for purchase pursuant to the terms and conditions of this Offer, the Offeror will cause these Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

#### **4.4 Undertakings, representations and warranties by tendering Shareholders**

Each Shareholder tendering Shares pursuant to the Offer, by such tender, irrevocably undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered through to and including the Settlement Date, that:

(a) Acceptance by the Shareholder

the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and restrictions of the Offer as contained in this Offer Memorandum;

(b) Power of Authority

such Shareholder has full power and authority to tender, sell and deliver, and has not entered into any other agreement to tender, sell or deliver the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror for cash, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind;

(c) Compliance

such Shares are being tendered in compliance with the restrictions as set out in Section 1 (*Restrictions and important information*) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares; and

(d) Waiver

such Shareholder acknowledges and agrees that having tendered its Shares, such Shareholder shall, as from the Settlement Date, be deemed to have waived any and all rights or entitlements that such Shareholder may have in its capacity as shareholder of Refresco or otherwise in connection with its shareholding in Refresco vis-à-vis any member of the Group and any member of the Boards.

(e) Not subject to sanctions

such Shareholder is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

#### **4.5 Acceptance Period (*aanmeldingstermijn*)**

The Acceptance Period begins on 19 January 2018, at 09:00 hours CET and ends, subject to extension in accordance with article 15 of the Takeover Decree, on 30 March 2018, at 17:40 hours CET.

If the Offer is declared unconditional, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the terms of the Offer in accordance with the procedures set forth in Section 4.2 (*Acceptance of the Offer and Tender*).

#### **4.6 Withdrawal rights**

Shares tendered prior to the Acceptance Closing Time may not be withdrawn, subject to the right of withdrawal of any tender:

- (a) during any extension of the Acceptance Period in accordance with the provisions of article 15, paragraph 3 of the Takeover Decree;
- (b) following an announcement of a mandatory public bid in accordance with the provisions of article 5b, paragraph 5 of the Takeover Decree (provided that such

Shares were already tendered prior to the announcement and withdrawn within seven (7) Business Days following the announcement);

- (c) following the filing of a successful request to set a reasonable price for a mandatory public bid in accordance with the provisions of article 15, paragraph 8 of the Takeover Decree (provided that such Shares were already tendered prior to the request and withdrawn within seven (7) Business Days following the decision date); or
- (d) following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and a document in relation thereto is made generally available in accordance with the provisions of article 15a paragraph 3 of the Takeover Decree (provided that such Shares were already tendered prior to the request and withdrawn within seven (7) Business Days following such document being made available).

If the Acceptance Period is extended, any Shares previously tendered and not withdrawn will remain subject to the Offer. Shares tendered during an extension of the Acceptance Period may not be withdrawn, subject to the provisions of article 5b, paragraph 5, article 15, paragraphs 3 and 8 and article 15a paragraph 3 of the Takeover Decree, as set out above in this Section.

#### **4.7 Extension of the Acceptance Period**

The Offeror will extend the Offer past the Acceptance Closing Time only once, with a minimum of two (2) weeks and a maximum of ten (10) weeks, subject to a possible extension in case of an increase of the Offer Price as described below, in which case all references in this Offer Memorandum to the Acceptance Closing Time shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended. In the event a third party has published a Competing Offer prior to the Acceptance Closing Time, the Offeror may extend the Offer past the Acceptance Closing Time to match the acceptance closing time of a Competing Offer, in accordance with article 15, paragraph 5 of the Takeover Decree. However, as noted in Section 4.2 (*Acceptance of the Offer and Tender*), a custodian, bank or broker may set an earlier deadline for Shareholders to communicate acceptances of the Offer in order to permit the custodian, bank or broker to communicate such acceptances to the Exchange Agent in a timely manner.

If the Acceptance Period is extended, a public announcement to that effect shall be made in accordance with the Merger Rules. Article 15, paragraph 2 of the Takeover Decree requires that such announcement be made not later than the third (3rd) Business Day following the initial Acceptance Closing Time.

During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer. In accordance with article 15, paragraph 3 of the Takeover Decree, Shares tendered on or prior to the original Acceptance Closing Time may be withdrawn during the Acceptance Period as extended. Further, in accordance with article 15a, paragraph 3 of the Takeover Decree, Shares tendered may be withdrawn within seven (7) Business Days following the announcement of an increase of the Offer Price.

In addition, the Acceptance Period may be extended in accordance with article 15 paragraph 9 of the Takeover Decree if the Offer Price is increased within seven (7) Business Days from the Acceptance Closing Date, in which case the Acceptance Period is by virtue of law extended to the effect that the Acceptance Period will be open for seven (7) Business Days from such increase of the Offer Price.

#### **4.8 Declaring the Offer Unconditional (*gestanddoening*)**

The obligation of the Offeror to declare the Offer unconditional is subject to the satisfaction or waiver of the Offer Conditions. The Consortium and Refresco reserve the right to (either in whole or in part at any time) waive certain Offer Conditions to the extent permitted by applicable laws and as set out in Section 3.9 (*Offer Conditions*). If the Offeror wishes to waive one or more Offer Conditions according to Section 3.9 (*Offer Conditions*), the Offeror will inform the Shareholders as required by the applicable rules.

Unless the initial Acceptance Period is extended, the Offeror will no later than on the third (3rd) Business Day following the Acceptance Closing Date determine whether the Offer Conditions have been satisfied or waived as set out in Section 3.9 (*Offer Conditions*), to the extent permitted by law. In addition, the Offeror will at that time announce whether (i) the Offer is declared unconditional, (ii) the Acceptance Period will be extended in accordance with article 15 of the Takeover Decree, or (iii) the Offer is terminated as a result of the Offer Conditions not having been satisfied or waived, all in accordance with Section 3.9 (*Offer Conditions*) and article 16 of the Takeover Decree.

If the Offer is declared unconditional, the Offeror will accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror). The press release issued on the Unconditional Date will include the required details on the percentage of Tendered Shares in accordance with the Takeover Decree.

#### **4.9 Settlement of the Offer**

Shareholders who have accepted the Offer and Shareholders who have tendered their Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Time if the Offer is declared unconditional will receive the Offer Price in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred no later than on the Settlement Date, at which point dissolution or annulment of Shareholder's tender or transfer shall not be permitted.

Admitted Institutions receiving Shares from Shareholders tendering under this Offer shall receive these Shares as custodian. In turn, Admitted Institutions will submit such Shares by written instruction to the Exchange Agent. By tendering such Shares, the Admitted Institutions declare that they have the Shares in their custody and that they procure transfer of the Shares to the Offeror prior to or on the Settlement Date.

#### **4.10 Post-Acceptance Period**

The Offeror shall, in accordance with article 17 of the Takeover Decree and in consultation with the Company, within three (3) Business Days after declaring the Offer unconditional, announce a post-Acceptance Period (*na-aanmeldingstermijn*) to enable Shareholders that did not tender their Shares during the Acceptance Period to tender their Shares under the same terms and conditions applicable to the Offer. Such post-Acceptance Period will commence on the first (1st) Business Day following the announcement of the post-Acceptance Period and will remain open for a period of no longer than two (2) weeks. During the post-Acceptance Period, the Offeror will continue to accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and will pay for such Shares within five (5) Business Days following the end of the post-Acceptance Period. Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) during the post-Acceptance Period may not be withdrawn. The Offeror will, within three (3) Business Days after the post-Acceptance Period has ended, announce the number and percentages of Shares that have been tendered in the post-Acceptance

Period and the total number and percentage of Shares the Offeror owns after the post-Acceptance Period has ended.

#### **4.11 Commission**

Admitted Institutions shall receive from the Exchange Agent on behalf of the Offeror a commission in the amount of EUR 0.0016 in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred, up to a maximum of EUR 1,000 per Shareholder tender. The commission must be claimed from the Offeror through the Exchange Agent upon the Settlement Date. The Admitted Institutions are only entitled to the commission if they provide the Exchange Agent with the following statement: "By claiming this commission, we hereby declare that we have not included the execution of this corporate action in a service fee charged to our clients. We therefore declare that claiming this commission is needed to cover our costs under this transaction and as a result of that this corporate action will be executed on a cost free basis on behalf our Clients." No costs will be charged to the Shareholders by the Offeror for the transfer and payment of the Shares. However, costs might be charged by certain banks or stockbrokers.

#### **4.12 Restrictions**

The Offer is being made with due observance of such statements, terms and restrictions as are included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effectuated in such manner as set out above.

#### **4.13 Announcements**

Announcements in relation to the Offer, including announcements in relation to an extension of the Offer past the Acceptance Closing Time will be issued by press release and will be made available on the Company's website at [www.refresco.com](http://www.refresco.com) (investors section) as well as on the website of PAI at [www.paipartners.com](http://www.paipartners.com) (media section) and the bcIMC group at [www.bcimc.com](http://www.bcimc.com) (newsroom section) on behalf of the Offeror. Subject to any applicable requirements of the Merger Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

#### **4.14 Indicative Timetable**

The times and dates below are indicative only.

<b>Expected date and time</b>	<b>Event</b>
22 January 2018 (=X)	Publication of the press release announcing the availability of this Offer Memorandum and commencement of the Offer.
22 January 2018 (=X)	Convocation notice for EGM
9:00 hours CET, 23 January 2018 (X + 1 Business Day)	Commencement of the Acceptance Period under the Offer in accordance with article 14 of the Takeover Decree.



**Expected date and time****Event**

14:00 hours CET, 5 March 2018 (X + 6 weeks)

EGM, at which the Offer, among other matters will be discussed in accordance with article 18, paragraph 1 of the Takeover Decree. In addition, the Resolutions will be proposed to the EGM in connection with the Offer.

17:40 hours CET, 19 March 2018 (X + 8 weeks), subject to extension

***Acceptance Closing Time***

The deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with article 15 of the Takeover Decree.

Ultimately 22 March 2018 (Not later than three (3) Business Days following the Acceptance Closing Time)

***Unconditional Date***

On this date the Offeror shall publicly announce, in accordance with articles 15 and 16 of the Takeover Decree, that either:

- the Offer is declared unconditional the Unconditional Date;
- the Offer is extended; or
- the Offer is not declared unconditional as a result of an Offer Condition not being satisfied or waived.

Promptly following the Unconditional Date

***Commencement of Post-Acceptance Period***

Post-Acceptance Period (*na-aanmeldings-termijn*): the Offeror will announce a post-Acceptance Period for the Offer with a maximum duration of two (2) weeks to enable Shareholders that did not tender their Shares during the Acceptance Period to tender their Shares under the same terms and conditions applicable to the Offer.

Ultimately 29 March 2018 (Expected within five (5) Business Days following the Unconditional Date (unforeseen circumstances excepted)

***Settlement Date***

The date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Offer Price per Share to the Exchange Agent, as applicable, for the benefit of the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred their Shares under the Offer, which date is expected within five (5) Business Days following the Unconditional Date, subject to the Offer being declared unconditional.

## **5 INFORMATION REGARDING REFRESCO**

### **5.1 Introduction**

The Company is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands. The Company is registered with the chamber of commerce of the Netherlands under register number 24395416. The Company is listed on Euronext Amsterdam and is included in the Amsterdam Mid Cap Index.

### **5.2 History of Refresco**

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 inception in 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.

On 27 March 2015, the Company’s shares were listed on the stock market in Amsterdam. After the listing the Company continued to execute its buy-and-build strategy, including the Company’s first steps into North America, with the acquisition of US-based Whitlock Packaging in 2016. In addition, the Company (as purchaser) signed the acquisition agreement for Cott TB in July 2017, which is intended to transform Refresco from a pan-European player into the world’s largest independent bottler with leadership positions across Europe and North America, annual turnover of EUR 3.6 billion and 59 production sites with combined production volumes of approximately 12 billion litres.

### **5.3 Organizational structure**

#### **5.3.1 General**

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 realised in 2016 full year volumes and revenue of circa 6.5 billion litres and circa EUR 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, polyethylene terephthalate (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.

### 5.3.2 Subsidiaries and associated companies

The Company is the parent company of the Refresco Group. The Company owns the following subsidiaries as set out below:

#### Consolidated companies

Refresco Holding B.V.	Rotterdam (The Netherlands)	100%
Refresco Europe B.V. (previous Refresco B.V.)	Rotterdam (The Netherlands)	100%
Refresco Americas B.V.	Rotterdam (The Netherlands)	100%
Refresco Benelux B.V.	Maarheeze (The Netherlands)	100%
Refresco N.V.	Ninove (Belgium)	100%
DIS B.V.	Sittard (The Netherlands)	100%
Refresco Iberia S.A.	Oliva (Spain)	100%
Verwaltungsgesellschaft EMIG mbH	Rellingen (Germany)	100%
Refresco Deutschland Services & IT GmbH & Co KG	Mönchengladbach (Germany)	100%
Refresco Deutschland Holding GmbH	Herrath (Germany)	100%
Refresco Hamburg GmbH	Hamburg (Germany)	100%
EMIG GmbH	Rellingen (Germany)	100%
Refresco Deutschland GmbH	Herrath (Germany)	100%
Logico GmbH & Co KG	Erfstadt (Germany)	100%
Refresco Finland Holding O.Y.	Kuopio (Finland)	100%
Refresco Finland O.Y.	Kuopio (Finland)	100%
Ferskur France S.A.S.	Marges (France)	100%
Refresco France S.A.S.	Marges (France)	100%
Refresco Le Quesnoy SAS	Valenciennes (France)	100%
Pride Foods Ltd.	Bridgwater (UK)	100%
Quantock Properties Ltd.	Bridgwater (UK)	100%
Refresco Beverages UK Ltd.	Bridgwater (UK)	100%
Gerber Emig Group Ltd.	Bridgwater (UK)	100%
Yorkshire Spring Mineral Water Holdings Ltd.	Bridgwater (UK)	100%
Yorkshire Spring Mineral Water Company Ltd.	Bridgwater (UK)	100%
Refresco Financing 001 Ltd.	Bridgwater (UK)	100%
Refresco Financing 002 Ltd.	Bridgwater (UK)	100%
Refresco Poland Sp. z o.o.	Warsaw (Poland)	100%
Refresco Sp. z o.o.	Kenty (Poland)	100%
Refresco Italy S.p.A.	Cadorago (Italy)	100%
Spumador S.p.A.	Cadorago (Italy)	100%
Recoaro S.p.A. (previous R2R S.p.A.)	Cadorago (Italy)	100%
Refresco US Holding Inc.	Wilmington, Delaware (US)	100%
Refresco US Inc. (previous Whitlock Packaging Corporation)	Tulsa, Oklahoma (US)	100%
Refresco Canada Inc.	Toronto, Ontario (Canada)	100%
RG Refresco Group Holding SA de CV	Puebla State of Puebla (Mexico)	100%
<b>Non-consolidated companies</b>		
Entsorgungs GmbH	Calvörde (Germany)	40%
Genprobio Srl	Cadorago (Italy)	20%

The Company is managed by the Executive Board, which is responsible for the Company's overall management and performance and for the implementation of its strategy. The Executive Board is supervised by the Supervisory Board. Since the acquisition of Whitlock Packaging, the Company has split its organization at the operational level into Europe and the United States.

Regarding its European operations, the Executive Board is advised by an operating board, comprising COO Europe and a Group finance director and supported by three Group directors representing HR, Operations and Purchasing. The operating board reports to and advises the Executive Board on the operational and sales matters in relation to our business units in Europe. The business units are Benelux, France, Germany, Iberia, Italy, North East Europe and the UK. Each of the business units is headed by a Managing Director. The Managing Director and local management teams are responsible for managing the manufacturing and sales operations in their respective countries. The Managing Directors report to the COO Europe. Regarding the US operations, the US Managing Director reports directly into the Executive Board on the operational and sales matters in the United States.

#### **5.4 Strategy**

For the business strategy of Refresco, please refer to Section 3.4.2 (*Strategy*) of this Offer Memorandum.

#### **5.5 Recent developments**

In addition to the Offer, the Cott TB Acquisition is a significant development for Refresco. Refresco refers to its press release dated 25 July 2017 and included under Section 12.2 (*Press Releases*) and its shareholder circular dated 25 July 2017 which is available on Refresco's website at [www.refresco.com](http://www.refresco.com) (governance section). The Cott TB Acquisition is expected to be completed on 30 January 2018.

#### **5.6 Supervisory Board**

**Yiannis Petrides, Chairman** (born 1958)

Nationality	Cypriot
Appointed	as of 1 January 2013
Current term expiring in	2021
Current position	Chairman of the Supervisory Board.
Experience	<ul style="list-style-type: none"> <li>• Member of the Board and Chairman of Audit Committee of PUIG SA</li> <li>• Member of the Board of CyPet</li> <li>• Board Member of the Spanish- Hellenic Chamber of Commerce</li> <li>• Former Chairman of the Board of Largo (Wind Hellas Telecommunications)</li> <li>• Former Vice- Chairman of the Board of the Campofrio Food Group and Chairman of the Strategy and Audit Committees</li> <li>• Former President Europe of the Pepsi Bottling Group</li> <li>• 23 year career with PepsiCo Inc. including President/CEO Spain, President/CEO Greece and Balkans.</li> </ul>

**Aalt Dijkhuizen** (born in 1953)

Nationality	Dutch
Appointed	as of 24 March 2010
Current term expiring in	2019
Current position	Vice-Chairman of the Supervisory Board, Chairman of the Remuneration and Nominating Committee
Experience	<ul style="list-style-type: none"> <li>• President of the Dutch Topsector Agri &amp; Food</li> <li>• Chairman of the supervisory board of the Van Hessen Group</li> <li>• Member of the supervisory board of Royal De Heus Animal Nutrition</li> <li>• Member of the supervisory board of Greenyard</li> <li>• Member of the international advisory board of Hendrix Genetics</li> <li>• Member of the advisory board of Struik Foods</li> <li>• Member of the advisory board of the Pictet Agri Investment Fund</li> <li>• Chairman of the Dutch Alliance for Sustainable Food</li> <li>• Chairman of the supervisory board of the Arnhem Philharmonic Orchestra</li> <li>• Co-director of the Holland Center in Shanghai</li> <li>• Extraordinary member of the Dutch Safety Board</li> <li>• High-level expert to the European Commission</li> <li>• Personal advisor to the Governor of Fujian Province in China</li> <li>• Former president and CEO of Wageningen UR (University &amp; Research center)</li> <li>• Former Managing Director of the Business Group Agri Northern Europe at Nutreco</li> <li>• Former professor at Wageningen University, specialised in animal health economics.</li> </ul>

**Sean Gorvy** (born 1963)

Nationality	South African
Appointed	as of 11 November 2013
Current term expiring in	2018
Current position	Member of the Supervisory Board, member of the Audit Committee
Experience	<ul style="list-style-type: none"> <li>• Chief executive of Hanover Acceptances Limited, an entity that owns 100% of Tamoa, and being a member of the Hanover Acceptances Limited board since 1997. In that capacity, he holds directorships at Tamoa Limited, Dorrington PLC, Fresh Capital Group Limited and African Realty Trust (PTY) Limited and held directorships at Pride Foods Limited, Gerber Emig Group Limited and Frigo Pak Gida Maddeleri Sanayi ve Ticaret A.S., Outspan and Capespan and Fresh &amp; Wild</li> <li>• Prior to working within the Hanover Acceptances Group, various roles within Morgan Stanley's real estate, corporate finance and M&amp;A departments.</li> </ul>

**Theo de Kool** (born 1952)

Nationality	Dutch
Appointed	as of 31 March 2015
Current term expiring in	2019
Current position	Member of the Supervisory Board, chairman of the Audit Committee
Experience	<ul style="list-style-type: none"> <li>• Former CFO of Sara Lee Corporation</li> <li>• Former member of the executive board and supervisory board of Sara Lee/DE</li> <li>• Former director, CFO and CEO of Univeg group in Belgium</li> <li>• Previously held various roles with Blokker Holding, i.e. vice chairman of the executive board, Chairman and CEO, CFO/finance director of Blokker Holding and member of Blokker Holding's supervisory board (Former member of the supervisory board of Van Gansewinkel Groep.</li> </ul>

**Inge Plochaet** (born 1968)

Nationality	Belgian
Appointed	as of 12 May 2016
Current term expiring in	2020
Current position	Member of the Supervisory Board, member of the Audit Committee
Experience	<ul style="list-style-type: none"> <li>• Non-Executive Director at Van Genechten Packaging</li> <li>• Until 2015, various positions within ABInbev, the last role was Business Unit President UK &amp; Ireland.</li> </ul>

**Jon Sigurdsson** (born 1978)

Nationality	Icelandic
Appointed	as of 24 March 2010
Current term expiring in	2018
Current position	Member of the Supervisory Board, member of the Remuneration and Nominating Committee
Experience	<ul style="list-style-type: none"> <li>• Managing Director of Helgafell ehf. and Helgafell eignarhaldsfelag ehf.</li> <li>• Member of the board of N1 hf.</li> <li>• Board member and Managing Director of Straumnes Ráðgjöf ehf., Straumnes eignarhaldsfelag ehf. and board member of</li> <li>• Bjarg Invest ehf., S380 ehf. and S120 ehf.</li> <li>• Former Managing Director of Stoðir hf.</li> <li>• Previously held various positions within Landsbanki Íslands hf. And Búnaðarbanki Íslands hf.</li> </ul>



**Thomaz Kunz** (born 1957)

Nationality	Swiss
Appointed	as of 9 May 2017
Current term expiring in	2021
Current position	Member of the Supervisory Board, member of the Remuneration and Nomination Committee
Experience	Mr. Kunz spent 32 years working at Procter & Gamble and Danone in various countries, including the US. His recent positions were CEO of Danone Waters and CEO of Danone Dairy. In these roles, he served on the Executive Board of Group Danone.

The Supervisory Board is supported by:

- a Remuneration and Nominating Committee: this committee is responsible for advising the Supervisory Board on the remuneration of the Executive Board, reviewing the Executive Board's proposals concerning the remuneration policies for the higher management within Refresco Group and advising on appointment procedures for and assessment of the functioning of Executive Board members and Supervisory Board members; and
- an Audit Committee: this committee supervises the internal risk management and control systems and the provision of financial information by the company. It furthermore supervises the role and functioning of the internal auditor and the relations with the external auditor.

Please see Section 3.5.2 (*Composition Supervisory Board*) for information on the composition of the Supervisory Board after the Settlement Date.

## **5.7 Executive Board**

The Executive Board consists of the following members:

Hans Roelofs (born 1963), Chief Executive Officer

Nationality	Dutch
Current term expiring in	2019

Hans Roelofs joined Refresco as CEO in March 2007. Before joining Refresco, 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. Hans Roelofs is a graduate of Wageningen University, the Netherlands.

**Aart Duijzer (born 1963), Chief Financial Officer**

Nationality	Dutch
Current term expiring in	2021

Aart Duijzer is one of the founders of Refresco. Prior to joining Refresco as CFO in 2000, he worked as Finance Director of the Continental European division of Hazlewood Foods Plc. Mr. Duijzer started his career at KPMG and holds a Masters degree in business economics from the Erasmus University in Rotterdam, the Netherlands. He is a Dutch Chartered Accountant.

## **Vincent Delozière (born 1972), Chief Operating Officer Europe**

Nationality	French
Current term expiring in	2021

Mr. Delozière joined Refresco in 2002 when Refresco acquired Délifruits. He has fulfilled several managerial and commercial positions within the Refresco Group including his latest position as Group Managing Director reporting into the Executive Board.

Please see Section 3.5.1 (*Composition Executive Board*) for information on the composition of the Executive Board after the Settlement Date.

### **5.8 Refresco Remuneration Policy**

#### **5.8.1 Remuneration Executive Board**

The Executive Board remuneration policy was adopted by the general meeting of Shareholders upon the proposal of the Supervisory Board on 16 March 2015. It is based on the principles that (i) the total 'at-target' remuneration of the members of the Executive Board (consisting of the CEO, CFO and COO Europe) is set between the median and upper quartile remuneration levels within a relevant employment market peer group of comparable national and international companies and (ii) the total 'at-target' remuneration also reflects the expected growth of the Company pursuant to its strategy.

The remuneration of the members of the Executive Board consists of the following components:

- Annual base pay;
- Short-term incentive (STI);
- A one-time IPO-related retention incentive to be paid out in the years 2016 and 2017, subject to continued employment;
- Long-term incentive (LTI);
- Pensions; and
- Other benefits.

The following table summarizes the elements of remuneration as applicable to members of the Executive Board as well as the alignment of remuneration practices with the strategic objectives of the Company.

Remuneration element	Description
<b>Annual base pay</b>	<ul style="list-style-type: none"> <li>Aligned to the median and upper quartile remuneration levels of the selected peer groups.</li> </ul>
<b>Short-term incentive</b>	<ul style="list-style-type: none"> <li>Focuses on the delivery of short-term results in line with the company's strategy.</li> <li>Based on financial and non-financial performance conditions; the financial performance conditions for 2016 are set consistent with the strategic objectives of the company and relate to EBITDA and working capital.</li> <li>'At target' value of 100% of annual base pay.</li> <li>'At target' value of 60-65% of annual base after introduction of the Long-term incentive in 2017.</li> </ul>
<b>Retention incentive</b>	<ul style="list-style-type: none"> <li>To promote retention of the members of the Executive Board and to safeguard the ability of the company to deliver on the growth strategy following the IPO, a retention bonus pool of EUR 1.1 million is reserved for the Executive Board.</li> <li>Paid in two annual instalments in 2016 and 2017, subject to employment with the Group at the date of payment.</li> </ul>
<b>Long-term incentive</b>	<ul style="list-style-type: none"> <li>Grants of conditional shares as from 2017 including lower 'at target' STI as a result.</li> <li>3 year vesting period.</li> <li>Additional 2 year holding period for members of the Executive Board.</li> <li>Financial targets and non-financial targets as well as continued employment applicable; the financial performance conditions for 2017-2019 will be set consistent with the strategic objectives of the company and relate to ROCE and EPS growth.</li> <li>Aligns management and shareholders and drive sustainable performance.</li> <li>'At target' value of 60-65% of annual base pay.</li> <li>Number of conditional shares that vest that may vary between 0%-200%.</li> </ul>
<b>Pensions</b>	<ul style="list-style-type: none"> <li>Defined contribution pension scheme.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>The company may provide a company car to members of the Executive Board.</li> <li>The company may also pay the premiums of a medical insurance of members of the Executive Board in line with their current employment agreements.</li> <li>The company will arrange for and pay a directors and officers (D&amp;O) liability insurance for the members of the Executive Board.</li> </ul>

The remuneration of the individual members of the Executive Board is determined by the Supervisory Board, with due observance of the remuneration policy. In compliance with the Dutch Corporate Governance Code, the employment agreements of the Executive Board members contain provisions related to severance arrangements and claw back consequences.

The agreed arrangements with regard to the Company's share plans in connection with the Offer, i.e. the 'Refresco Group N.V. Long Term Incentive Plan' and the 'Refresco Group N.V. Management Participation Plan', are described in Section 3.13 (*Conditional Shares*). Please see Section 3.5.1 (*Composition Executive Board*) for information on the composition of the Executive Board after the Settlement Date.

## 5.8.2 Remuneration Supervisory Board

The General Meeting determines the remuneration of the members of the Supervisory Board. The Supervisory Board periodically submits proposals to the general meeting of Shareholders in respect of the remuneration of the chairman, the vice-chairman and the other members of the Supervisory Board. The remuneration of the Supervisory Board may not be made dependent on the Company's results.

## 5.9 Major Shareholders

As at the date on which the AFM has approved the publication of this Offer Memorandum, the following holdings of 3% or more were registered in the public register of the AFM, and the information included below was derived solely from the applicable filings by the Shareholders with the AFM or, with respect to the Major Shareholders, their irrevocable undertakings:

	Capital	Voting rights	Date of Notification/Irrevocable
Ferskur Holding 1 B.V.	13.31%	13.31%	24 October 2017
Tamoa Ltd	8.10%	8.10%	24 October 2017
Norges Bank	5.68%	5.68%	14 November 2017
BDL Capital Management	5.00%	5.00%	25 October 2017
3i Investments plc (through 3i GC Holdings Ref 1 S.à.r.l. and 3i GC Holdings Ref 2 S.à.r.l.) <sup>1</sup>	3.01%	3.01%	24 October 2017
GZ Trust Corporation as Trustee of the Quadriga Trust	8.10%	8.10%	5 October 2016
Stodir hf (through Ferskur Holding 1 B.V.) <sup>2</sup>	13.31%	13.31%	24 October 2017
Mondrian Investment Partners Limited	5.18%	5.18%	24 May 2016

1. Based on the public register of the AFM, the (indirect) shareholding of 3i investment Plc amounts to 4.76% capital and 4.76% voting rights. The (indirect) shareholding of 3i investment Plc as indicated in the table is based on the information received in connection with (entering into) the irrevocable undertakings.

2. Based on the public register of the AFM, the (indirect) shareholding of Stodir hf amounts to 14.53% capital and 14.53% voting rights. The (indirect) shareholding of Stodir hf as indicated in the table is based on the information received in connection with (entering into) the irrevocable undertakings.

Latest filings with the AFM by shareholders and other investors, including on gross and net short positions, can be found at the website of the AFM: [www.afm.nl](http://www.afm.nl).

## 6 CAPITAL AND SHARES OF REFRESCO

### 6.1 Authorised and issued Share Capital

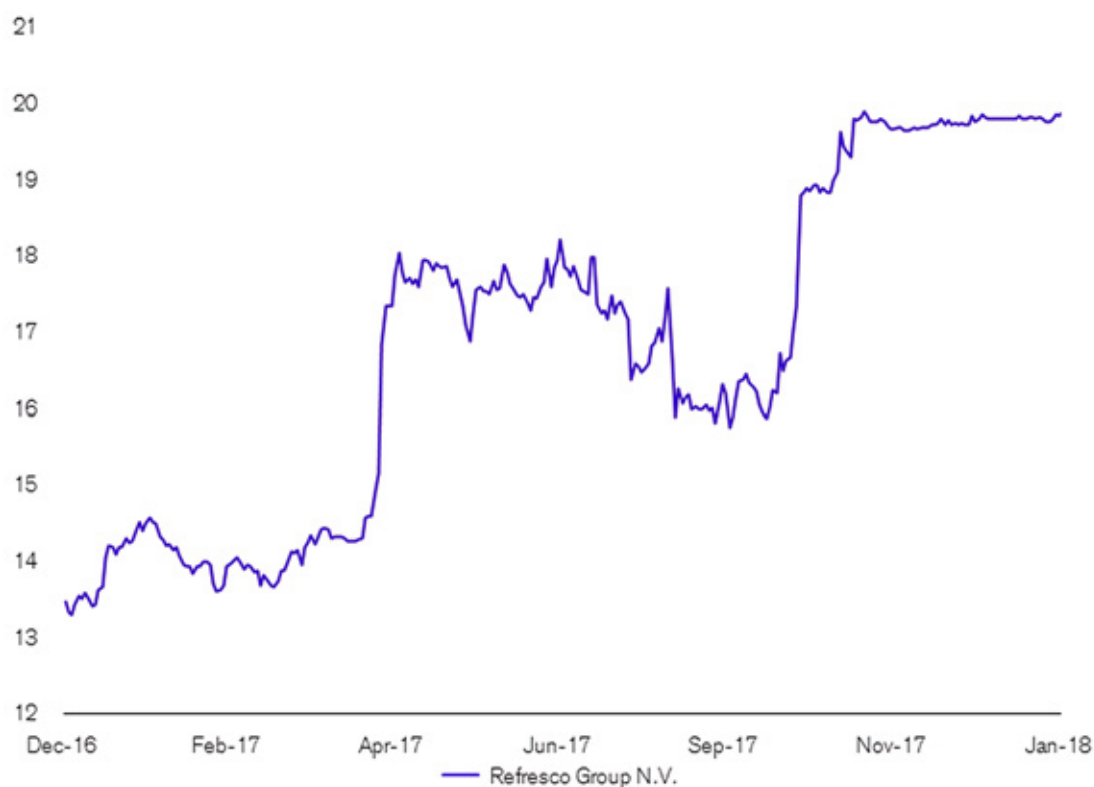
As at the date of this Offer Memorandum, the authorised share capital of the Company amounts to EUR 36,000,000 and is divided into 300,000,000 ordinary shares with a nominal value of EUR 0.12 each.

As at the date of this Offer Memorandum, the Company has issued 81,160,915 ordinary shares. The Shares are listed on the official market of the stock exchange of Euronext Amsterdam and included in the Amsterdam Mid Cap Index.

There are no preference shares issued at the date of this Offer Memorandum.

### 6.2 Share Price Development

This graphic below sets out the share price development from 1 December 2017 to 19 January 2018.



### 6.3 Shares held by members of the Boards

#### *Executive Board*

As at the date of this Offer Memorandum, Shares and Conditional Shares are held by members of the Executive Board as shown in the following table.

Name	Shares currently held	Conditional Shares	Gross amount to be received before claw-back (EUR)
Hans Roelofs	722,028	33,236	221,573.33
Aart Duijzer	821,101	21,366	142,440.00
Vincent Delozière	157,218	17,782	118,546.67
Total	1,700,347	72,384	482,560.00

Each Executive Board member has provided commitments to the Offeror to tender his Shares in the Offer on customary conditions as described in Section 3.12 (*Irrevocable Undertakings*).

The Conditional Shares held by members of the Executive Board indicated in the table above will be settled in cash by the Company, as described in Section 3.13 (*Conditional Shares*).

#### *Supervisory Board*

As at the date of this Offer Memorandum, the Shares held by members of the Supervisory Board are listed below:

<b>Name</b>	<b>Shares currently held</b>
Yiannis Petrides	0
Aalt Dijkhuizen	0
Sean Gorvy	0
Theo de Kool	10,321
Inge Plochaet	0
Jon Sigurdsson	0
Peter Kunz	0
Total	<u>10,321</u>

Mr. Petrides, Mr. Dijkhuizen, Mr. Gorvy, Mrs. Plochaet, Mr. Sigurdsson and Mr. Kunz do not hold any Shares.

## **6.4 Share transactions undertaken during the past year**

#### *Executive Board*

During the past year up to and including the date of this Offer Memorandum, no member of the Executive Board has undertaken any transactions with respect to any of his Shares.

#### *Supervisory Board*

During the past year up to and including the date of this Offer Memorandum, no member of the Supervisory Board has undertaken any transactions with respect to any of his or her Shares.

## **6.5 Transaction costs of Refresco**

The costs incurred or to be incurred by Refresco in relation to the Offer are expected to amount to approximately EUR 4.3 million and comprise of fees of legal advisors, financial advisors, accountants and communications advisors. The costs will be borne by Refresco.



## 7 INFORMATION ON THE OFFEROR

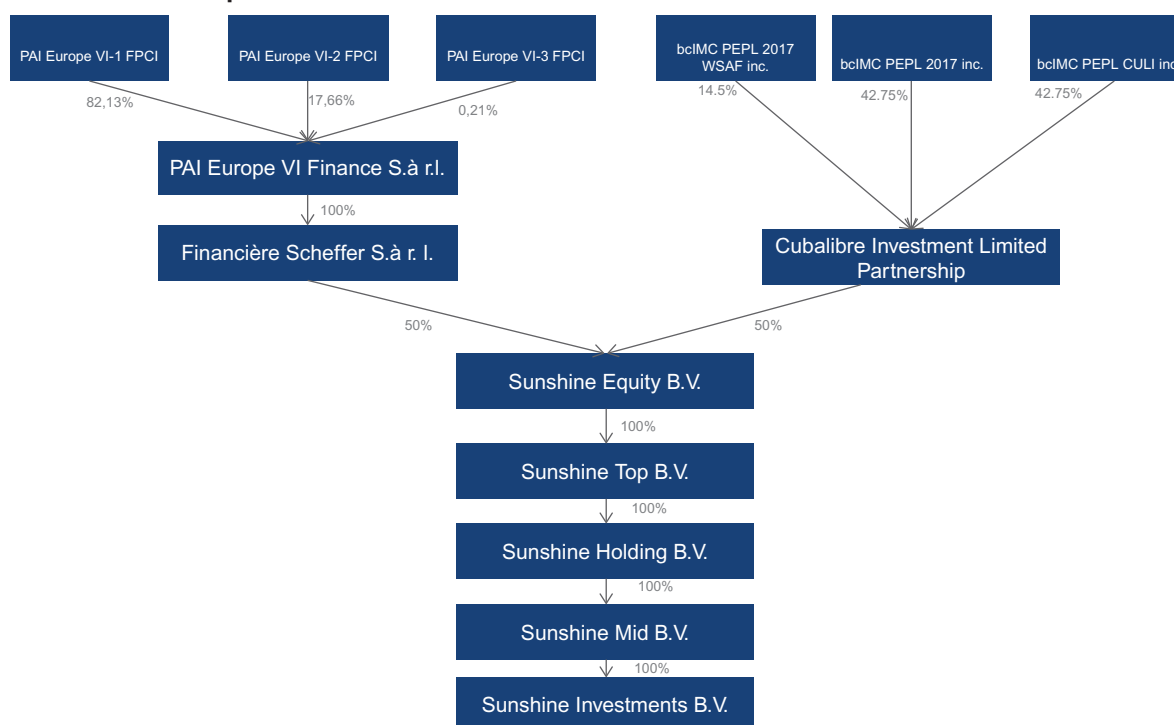
### 7.1 Information on the Offeror

#### 7.1.1 General

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), duly incorporated and validly existing under the laws of the Netherlands, having its registered office at Prins Bernhardplein 200, (1097 JB) Amsterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 69729220.

The Offeror is a special purpose vehicle incorporated to complete the purchase of the Shares under the Offer. As set out in the structure chart below, the shares in the Offeror are indirectly held by Financière Scheffer S.à r.l. (the **PAI Fund**) and Cubalibre Investment Limited Partnership (the **bclMC Fund**). The PAI Fund has PAI Europe VI Finance S.à r.l. as its sole shareholder, the limited partners of which are PAI Europe VI-1 FPCI, PAI Europe VI-2 FPCI and PAI Europe VI-3 FPCI. The management, operation and implementation of policy of the PAI Fund is vested in PAI. The limited partners of the bclMC Fund, i.e. the bclMC fund that is established for the purpose of the Offer, are bclMC PEPL 2017 WSAF Inc., bclMC PEPL 2017 Inc. and bclMC PEPL CULI Inc. The management, operation and implementation of policy of bclMC Fund is vested in its general partner Cubalibre Holdings Inc. (**Cubalibre Holdings**). bclMC is the sole shareholder of Cubalibre Holdings.

#### 7.1.2 Ownership structure of the Offeror



The shareholdings in the Offeror is as follows:

- (a) 100% of the shares in the capital of the Offeror will be held by **Sunshine Mid B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, having its office address at Prins Bernhardplein 200, (1097 JB) Amsterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 69882967;

- (b) 100% of the shares in the capital of Sunshine Mid B.V. will be held by **Sunshine Holding B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, having its office address at Prins Bernhardplein 200, (1097 JB) Amsterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 69880697;
- (c) 100% of the shares in the capital of Sunshine Holding B.V. will be held by **Sunshine Top B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, having its office address at Prins Bernhardplein 200, (1097 JB) Amsterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 69880670;
- (d) 100% of the shares in the capital of Sunshine Top B.V. will be held by **Sunshine Equity B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, having its office address at Prins Bernhardplein 200, (1097 JB) Amsterdam, the Netherlands, and registered with the chamber of commerce of the Netherlands under register number 69880700;
- (e) the shares in the capital of Sunshine Equity B.V. are held as follows: (i) 50% of the shares are held by **Financière Scheffer S.à r.l.**, a private limited liability company (*société à responsabilité limitée*) under the laws of the Grand Duchy of Luxembourg, having its registered office address at 43-45, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg trade register (*Registre de Commerce et des Sociétés Luxembourg*) under number B218350, and (ii) 50% of the shares are held by **Cubalibre Investment Limited Partnership**, a limited partnership under the laws of Manitoba, having its registered offices at 900-400 St. Mary Avenue, Winnipeg, Manitoba, Canada R3C 4K8, with registry number 10004999.

Pursuant to article 1:1 of the Wft, the Offeror, the PAI Fund, the bclMC Fund, PAI and Cubalibre Holdings qualify as offeror in respect of the Offer.

## 7.2 Capital and shares of the Offeror

The share capital of the Offeror consists of ordinary shares with a nominal value of EUR 0.01. All ordinary shares of the Offeror are registered shares. On the date of the publication of this Offer Memorandum, one hundred (100) ordinary shares have been issued.

## 7.3 Management board of the Offeror

The management board of the Offeror consists of Mr. N.G.A. Brugère (as director A) and Ms. S.V.C. Hoogstrate – Röell (as director B), appointed on 29 September 2017. Both management board members of the Offeror do not hold any Shares in the capital of the Offeror.

The Offeror does not have a supervisory board.

## 7.4 Information on PAI

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages EUR 8.3 billion of dedicated buyout funds. Since 1994, the company has completed 61 transactions in 11 countries, representing c. EUR 41 billion in transaction value. PAI is characterised by its

industrial approach to ownership combined with its sector-based organisation. They provide the companies they own with the financial and strategic support required to pursue their development and enhance strategic value creation. For more information, please visit [www.paipartners.com](http://www.paipartners.com)

PAI is a private limited liability company (*société par actions simplifiée*), duly incorporated and validly existing under the laws of France, having its registered office at 232, rue de Rivoli, 75001 Paris, France, with registry number 443 837 331 RCS Paris.

PAI is managed by Michel Paris (Chairman) and Frédéric Stévenin (Managing Director).

The full executive committee consists of:

- Michel Paris
- Frédéric Stévenin
- Raffaele Vitale
- Ricardo de Serdio
- Mirko Meyer-Schönherr
- Nicolas Holzman
- Richard Howell

## **7.5 Information on bcIMC/ bcIMC Fund / Cubalibre Holdings**

With C\$135.5 billion of managed net assets, bcIMC is one of Canada's largest institutional investors within the global capital markets. Based in Victoria, British Columbia, bcIMC is a long-term investor that invests in all major asset classes including private equity. bcIMC's clients include public sector pension plans, public trusts, and insurance funds. For more information, please visit [www.bcimc.com](http://www.bcimc.com)

The bcIMC Fund is the bcIMC fund that is established for the purpose of the Offer. All of the bcIMC funding (equity and loans) will come from the bcIMC Fund. Cubalibre Holdings is the general partner of the bcIMC Fund and determines the management, operation and implementation of policy.

The management, operation and implementation of policy of the bcIMC Fund is vested in its general partner Cubalibre Holdings.

Cubalibre Holdings is a corporation duly incorporated and validly existing under the laws of Canada, having its registered office at 300-2950 Jutland Road, Victoria, British Columbia, Canada, and registered with business number 788451110RC0001.

The sole director of Cubalibre Holdings is Jim Pittman.

## **7.6 Shareholder Arrangements**

The PAI Fund (*i.e.* a special purpose vehicle ultimately indirectly controlled by PAI established for the purposes of this Offer), the bcIMC Fund (*i.e.* a special purpose vehicle controlled by Cubalibre Holdings established for the purposes of this Offer) and Sunshine Equity B.V. have reached an agreement in respect of their participation in Sunshine Equity B.V., the indirect sole shareholder of the Offeror as set forth in Section 7.1.2 (*Ownership structure of the Offeror*). The key terms of the agreement include provisions in relation to, amongst other things (i) the joint control governance structure of Sunshine Equity B.V., Sunshine Top B.V., Sunshine Holding B.V., Sunshine Mid B.V. and the Offeror (collectively the **Acquisition Vehicles**) and Refresco, (ii) the future composition of the boards of the Acquisition Vehicles and Refresco and (iii) the future possibility for senior management of Refresco to participate in Sunshine Equity B.V. after the Settlement Date in accordance with the management incentive plan as further set out in Section 3.5.1 (*Composition of Executive*

*Board*). It is agreed that pending the fulfilment (or waiver) of the Offer Conditions in accordance with this Offer Memorandum, The PAI Fund and the bcIMC Fund will remain the joint shareholders of Sunshine Equity B.V. Upon fulfilment (or waiver) of the Offer Conditions and subsequent written request by Sunshine Equity B.V., the PAI Fund and the bcIMC Fund are required to fund their respective equity commitments to Sunshine Equity B.V., after which Sunshine Equity B.V. shall issue shares in its capital to the PAI Fund and the bcIMC Fund. The key terms will become effective as of the Settlement Date. Any costs shall equally be split between the PAI Fund and the bcIMC Fund. The equity commitments of the PAI Fund and the bcIMC Fund are on a 50/50 basis, although exact equity holdings shall be agreed upon just prior to Settlement. The parties will, however, always keep joint control.

## FURTHER DECLARATIONS PURSUANT TO THE TAKEOVER DECREE

In addition to the other statements set out in this Offer Memorandum, the offeror with regard to paragraphs 8(b), 8(d), 8(e) and 8(g) below, the Boards with regard to paragraphs 8(c), 8(f) and 8(h) below, and the offeror and the Boards jointly with regard to paragraph 8(a) below, hereby declare as follows:

- (a) There have been consultations between the offeror and the Company regarding the Offer, which have resulted in (conditional) agreement regarding the Offer. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions and the future strategy of the Group after the Settlement Date, took place between the offeror, the Boards and their respective advisors.
- (b) With due observance of and without prejudice to the restrictions referred to in Section 1 (*Restrictions and Important Information*), the Offer applies on an equal basis to all issued Shares and is made to all Shareholders.
- (c) The Company has no direct or indirect interest in the share capital of the offeror.
- (d) The offeror has no direct or indirect interest in the share capital of the Company.
- (e) No securities issued by the Company are held, no transactions or agreements in respect of securities issued by the Company have been effected or have been concluded and no similar transactions have been effected in respect of securities issued by the Company during the twelve months preceding the date hereof, by the offeror, or any subsidiary or group company of the offeror, or any member of the board of directors of the offeror, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), under-aged children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, subparagraph 5, 6 and 7 of the Takeover Decree, nor by any directors, supervisory board members, spouses, registered partners, under-aged children and any entities over which these members or other persons referred to have such control involved with the entities listed in the organogram in Section 7.1.2 which are not included in the definition of offeror for the purpose of this Chapter 8 (*Further Declarations pursuant to the Takeover Decree*), other than the irrevocable undertakings as described in Section 3.12 (*Irrevocable Undertakings*).
- (f) No securities issued by the Company are held, no transactions or agreements in respect of securities issued by the Company have been effected or have been concluded and no similar transactions have been effected in respect of securities issued by the Company during the twelve months preceding the date hereof by any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), under-aged children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*), within the meaning of Annex A, paragraph 2, subparagraph 5, 6 and 7 of the Takeover Decree, other than the irrevocable undertakings as described in Section 3.12 (*Irrevocable Undertakings*) and except as described in Section 6.3 (*Shares held by members of the Board*).
- (g) The costs incurred or to be incurred by the offeror directly in connection with the Offer are expected to amount to approximately EUR 46 million and comprise finance arrangement fees, bank adviser fees, Exchange Agent fees, broker commissions, legal fees, financial and Tax due diligence fees, public relations and communications advice and printing. These costs will be borne by the offeror.

- (h) The costs of the Company's fees of legal advisors, financial advisors, accountants and communications advisors incurred and expected to be incurred in relation to the Offer amount to approximately EUR 4,3 million. These costs will be borne by the Company.

For the purpose of this Chapter 8 (*Further Declarations pursuant to the Takeover Decree*), 'offeror' includes the Offeror, the PAI Fund, the bclMC Fund, PAI and Cubalibre Holdings.



## 9 DUTCH TAX ASPECTS OF THE OFFER

### 9.1 Introduction

The following summary outlines certain principal Dutch tax consequences of the disposal of the Shares in connection with the Offer and certain post-settlement restructuring measures, but does not purport to describe all every aspect of taxation that may be relevant to a particular Shareholder. Tax matters are complex, and the Tax consequences of the Offer and certain post-settlement restructuring measures to a particular Shareholder will depend in part on such Shareholder's circumstances. Accordingly, a Shareholder is urged to consult his own tax advisor for a full understanding of the Tax consequences of the Offer and certain post-settlement restructuring measures to him, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands.

This summary assumes that the Company is organised, and that its business will be conducted, in the manner outlined in this Offer Memorandum. A change to such organisational structure or to the manner in which the Company conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included), as it stands at the date of this Offer Memorandum. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

This summary does not address the Dutch tax consequences for a Shareholder who:

- (a) is a person who may be deemed an owner of Shares for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;
- (b) is, although in principle subject to Dutch corporate income tax, in whole or in part, specifically exempt from that tax in connection with income from Shares;
- (c) is an investment institutions as defined in article 28 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- (d) owns Shares in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;
- (e) has a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest (*fictief aanmerkelijk belang*) in the Company for Dutch tax purposes. Generally speaking, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5% or more of the shares or of any class of shares of the Company, or rights to acquire, directly or indirectly, such an interest in the shares of the Company or profit participating certificates relating to 5% or more of the annual profits or to 5% or more of the liquidation proceeds of the

Company, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Company are held by him following the application of a non-recognition provision.

## **9.2 The Offer**

### **9.2.1 Dutch dividend withholding tax**

No Dutch dividend withholding tax is due upon a disposal of the Shares in connection with the Offer.

### **9.2.2 Individual income tax**

#### *Residents of the Netherlands*

If a Shareholder is an individual who is resident or deemed to be resident in the Netherlands for purposes of Dutch individual income tax, any benefits derived or deemed to be derived from the Shares and gains realised upon the disposal of the Shares is taxable at progressive rates up to 52% if:

- (i) the individual is an entrepreneur and has an enterprise to which the Shares are attributable, or the individual has a co-entitlement to the net value of an enterprise, other than as a shareholder, to which the shares are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities, which include activities with respect to the Shares that exceed regular active portfolio management.

If neither condition (i) nor condition (ii) above applies, the value of the individual's Shares forms part of the yield basis for purposes of tax on benefits from savings and investments. A deemed benefit, which is determined on the basis of progressive rates starting from 2.02% up to 5.38% per annum of this yield basis (in 2018), is taxed at the rate of 30%. Actual benefits derived from or in connection with the individual's Shares, such as the disposal of the Shares, are not subject to Dutch individual income tax.

#### *Non-residents of the Netherlands*

If a Shareholder is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch individual income tax, such person will not be subject to Dutch individual income tax in respect of benefits derived or deemed to be derived from or the Shares and gains realised upon the disposal of the Shares, except if:

- (i) such person derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and such person's Shares are attributable to such permanent establishment or permanent representative; or
- (ii) such person derives benefits or is deemed to derive benefits from or in connection with Shares that are taxable as benefits from miscellaneous activities performed in the Netherlands.

### 9.2.3 **Corporate income tax**

#### *Residents of the Netherlands*

A Shareholder who is resident or deemed to be resident in the Netherlands for Dutch tax purposes is fully subject to Dutch corporate income tax if it is a corporate entity or an entity taxable as a corporate entity, including an association, a partnership and a mutual fund.

Benefits derived from the Shares and gains realised upon the disposal of the Shares pursuant to the Offer are generally subject to corporate income tax in the Netherlands (at up to a maximum rate of 25%).

#### *Non-residents of the Netherlands*

If a Shareholder is a corporate entity or an entity taxable as a corporate entity, including an association, a partnership and a mutual fund, which is neither resident, nor deemed to be resident in the Netherlands for purposes of Dutch corporate income tax, it will not be subject to Dutch corporate income tax in respect of any benefits derived or deemed to be derived from the Shares and gains realised upon the disposal of the Shares, except if:

- (i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and to which permanent establishment or permanent representative its Shares are attributable; or
- (ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Shares are attributable.

### 9.2.4 **Gift and inheritance tax**

No Dutch gift tax or inheritance tax will be due as a result of the disposal of Shares in connection with the Offer.

### 9.2.5 **Value Added Tax**

No Dutch value added tax will arise in respect of payments in consideration for the disposal of Shares in connection with the Offer.

### 9.2.6 **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder in respect of the disposal of the Shares in connection with the Offer.

## 9.3 **Buy-Out**

If, following the Settlement Date, the Offeror and its affiliates, alone or together with the Company, hold at least 95% (ninety-five per cent) of the issued and outstanding share capital of the Company, the Offeror shall commence the Buy-Out, as described in Section 3.14.1 (*Squeeze-Out procedures*). The following is a general summary of certain Dutch tax consequences for the Shareholders in connection with the Buy-Out.

### 9.3.1 **Dutch dividend withholding tax**

No Dutch dividend withholding tax is due upon a disposal of the Shares under the Buy-Out.

### 9.3.2 **Individual income tax**

The Dutch individual income tax consequences of the disposal of the Shares by means of a Buy-Out are the same as for the disposal of the Shares under the Offer; see Section 9.2.2 (*Individual income tax*).

### 9.3.3 **Corporate income tax**

The Dutch corporate income tax consequences of the disposal of the Shares by means of a Buy-Out are the same as for the disposal of the Shares under the Offer; see Section 9.2.3 (*Corporate income tax*).

### 9.3.4 **Gift and inheritance tax**

No Dutch gift tax or inheritance tax will be due as a result of the Buy-Out.

### 9.3.5 **Value added tax**

No Dutch value added tax will be payable in relation to the Buy-Out.

### 9.3.6 **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder in respect of the Buy-Out.

## 9.4 **Asset Sale and Liquidation**

After the settlement of the Shares tendered during the post-Acceptance Period, the Company may decide to execute and implement the Asset Sale followed by the Liquidation, as described in Section 3.14.3 (*Asset Sale and Liquidation*). The following is a general summary of certain Dutch tax consequences for the Shareholders in connection with the Asset Sale and Liquidation.

### 9.4.1 **Dutch dividend withholding tax**

#### *Asset Sale*

No Dutch dividend withholding tax is due upon the Asset Sale.

#### *Liquidation*

The Company is generally required to withholding Dutch dividend withholding tax at a rate of 15% on the liquidation distribution (i.e., the Second Step Distribution) to the extent such distribution exceeds the average paid-in capital (as recognised for Dutch dividend withholding tax purposes) of the Shares on which the distribution is made, subject to possible relief under Dutch domestic law, the Treaty on the Functioning of the European Union or an applicable Dutch income tax treaty depending on a Shareholder's individual circumstances.

### 9.4.2 **Individual income tax**

#### *Asset Sale*

The Asset Sale has no direct Dutch individual income tax consequences for the Shareholders.

#### *Liquidation*

The Dutch individual income tax consequences of the Liquidation are in principle similar to the tax treatment of the disposal of the Shares in connection with the Offer; see Section 9.2.2 (*Individual income tax*).

#### **9.4.3 Corporate income tax**

##### *Asset Sale*

The Asset Sale has no direct Dutch corporate income tax consequences for the Shareholders.

##### *Liquidation*

The Dutch corporate income tax consequences of the Liquidation are in principle similar to the tax treatment of the disposal of the Shares in connection with the Offer; see Section 9.2.3 (*Corporate income tax*).

#### **9.4.4 Gift and inheritance tax**

No Dutch gift tax or inheritance tax will be due as a result of the Asset Sale and Liquidation.

#### **9.4.5 Value added tax**

No Dutch value added tax will be payable in relation to the Asset Sale and Liquidation.

#### **9.4.6 Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder in respect of the Asset Sale and Liquidation.

## 10 NEDERLANDSE SAMENVATTING VAN HET BOD

*Dit Hoofdstuk 10 bevat de Nederlandstalige samenvatting van het biedingsbericht, dat is uitgegeven ter zake van het aanbevolen openbare bod in contanten uitgebracht door Sunshine Investments B.V. (de **Bieder**) op alle geplaatste en uitstaande gewone aandelen in het aandelenkapitaal van Refresco Group N.V. (**Refresco** of de **Vennootschap**) (het **Biedingsbericht**), met inachtneming van de verklaringen, voorwaarden en beperkingen zoals beschreven in het Biedingsbericht (het **Bod**). De belangrijkste kenmerken van het Bod zijn beschreven in deze samenvatting.*

*De gedefinieerde termen in dit Hoofdstuk 10 van het Biedingsbericht, hebben de betekenis die daaraan wordt gegeven in Paragraaf 10.2 (Nederlandse definities). Deze Nederlandstalige samenvatting maakt deel uit van het Biedingsbericht, maar vervangt het Biedingsbericht niet. Deze Nederlandstalige samenvatting is niet volledig en bevat niet alle informatie die voor Aandeelhouders van belang zou kunnen zijn om een afgewogen oordeel te vormen omtrent het Bod.*

*Het lezen van deze Nederlandstalige samenvatting mag niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen omtrent het Bod. Daarnaast zullen Aandeelhouders mogelijk hun belastingadviseur willen raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.*

*Indien er verschillen bestaan tussen deze Nederlandstalige samenvatting en de Engelstalige tekst van het Biedingsbericht, prevaleert de Engelstalige tekst.*

### 10.1 Beperkingen en belangrijke informatie

Het Bod wordt gedaan in en vanuit Nederland, met inachtneming van de verklaringen, voorwaarden en beperkingen opgenomen in het Biedingsbericht. Zie tevens Hoofdstuk 1 (*Restrictions and Important Information*) van het Biedingsbericht.

De publicatie van het Biedingsbericht en/of het uitbrengen van het Bod, kunnen in andere jurisdicties dan Nederland onderworpen zijn aan beperkingen en/of verboden zijn. Het Bod wordt niet gedaan in jurisdicties waarin het uitbrengen van het Bod, of het aanvaarden daarvan, niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet in acht nemen van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. De Bieder en Refresco en hun respectievelijke adviseurs aanvaarden geen aansprakelijkheid ter zake van overtreding van voornoemde restricties. Aandeelhouders dienen zo nodig onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

.De Bieder behoudt zich het recht voor om in het kader van het Bod de aanmelding van Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in het Biedingsbericht.

Het Biedingsbericht bevat belangrijke informatie die men zorgvuldig dient te lezen, alvorens een besluit te nemen over het aanmelden van Aandelen onder het Bod. Aandeelhouders die overwegen hun Aandelen niet aan te melden onder het Bod, wordt aangeraden kennis te nemen van Paragraaf 3.14 (*Post-Settlement Restructuring measures*) en Paragraaf 3.15 (*Consequences of the Offer*).

De informatie opgenomen in Paragraaf 1.1 (*Restrictions*), Paragraaf 1.2 (*United States of America*) Hoofdstuk 2 (*Definitions*), Paragraaf 3.1 (*Introduction*) tot en met Paragraaf 3.5



(*Governance Post-Settlement*), Paragraaf 3.7 (*Financing of the Offer*), Paragraaf 3.9 (*Offer Conditions*) tot en met Paragraaf 3.12 (*Irrevocable Undertakings*), Paragraaf 3.14 (*Post-Settlement Restructuring Measures*), Paragraaf 3.15 (*Consequences of the Offer*), Hoofdstuk 4 (*Invitation to Shareholders*), met uitzondering van Paragraaf 4.14 (*Indicative Timetable*), Paragraaf 6.2 (*Share Price Development*), Hoofdstuk 7 (*Information on the Offeror*), Paragraaf 8(b), 8(d)), 8(e) en 8(g) (*Further Declarations pursuant to the Takeover Decree*), Hoofdstuk 9 (*Dutch Tax Aspects of the Offer*) en Hoofdstuk 10 (*Nederlandse samenvatting van het Bod*) van het Biedingsbericht is uitsluitend door het Consortium verstrekt.

De informatie opgenomen in Paragraaf 3.6 (*Extraordinary General Meeting of Shareholders of Refresco*), Paragraaf 3.8 (*Recommendation by the Boards*), Paragraaf 3.13 (*Conditional Shares*), Hoofdstuk 5 (*Information regarding Refresco*), Paragraaf 6.1 (*Authorised and Issued Share Capital*), Paragraaf 6.3 (*Shares held by members of Boards*) tot en met Paragraaf 6.5 (*Transaction costs of Refresco*), Paragraaf 8(c), 8(f) en 8(h) (*Further Declarations pursuant to the Takeover Decree*), Hoofdstuk 13 (*Selected Consolidated Financial Information Refresco*), Hoofdstuk 14 (*Reviewed Interim Consolidated Financial Statements*), Hoofdstuk 15 (*Financial Statements 2016 of Refresco*) en Hoofdstuk 17 (*Documents incorporated by reference*) van het Biedingsbericht is uitsluitend door Refresco verstrekt.

De informatie opgenomen op de voorpagina, pagina 2, pagina 3 en in Paragraaf 1.3 (*Important information*), Paragraaf 3.16 (*Employee Consultation*), Paragraaf 4.14 (*Indicative Timetable*), Paragraaf 8 aanhef (*Further Declarations pursuant to the Takeover Decree*), Paragraaf 8(a) (*Further Declarations pursuant to the Takeover Decree*), Hoofdstuk 11 (*Advisors*), Hoofdstuk 12 (*Press Releases*) en Hoofdstuk 16 (*Proposed new Articles of Association Post-Settlement*) van het Biedingsbericht is door de Bieder en Refresco gezamenlijk verstrekt.

Uitsluitend de Bieder en Refresco zijn verantwoordelijk voor de juistheid en volledigheid van de informatie in het Biedingsbericht, ieder afzonderlijk voor de informatie die door ieder afzonderlijk is verstrekt en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder en Refresco verklaren, ieder afzonderlijk ten aanzien van de informatie die door henzelf is verstrekt en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, na het treffen van alle redelijke maatregelen om zulks te garanderen en voor zover hen redelijkerwijs bekend kan zijn, dat de informatie in het Biedingsbericht in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding de strekking van het Biedingsbericht zou wijzigen.

De informatie opgenomen in Hoofdstuk 13 (*Selected Consolidated Financial Information Refresco*) is ontleend aan de gecontroleerde jaarrekeningen van Refresco voor de financiële jaren 2016, 2015, 2014, zoals gepubliceerd in de jaarverslagen van Refresco van 2016, 2015 en 2014. De accountantsverklaring opgenomen in Paragraaf 13.6 (*Independent auditor's report on the selected consolidated financial information of Refresco*) is door Refresco verkregen van Ernst & Young Accountants LLP (**EY**). De Vennootschap bevestigt dat de informatie in Hoofdstuk 13 (*Selected Consolidated Financial Information Refresco*) accuraat is gereproduceerd en dat voor zover de Vennootschap bekend is en kan vaststellen op basis van de betreffende jaarverslagen er geen feiten achterwege zijn gelaten waardoor de geproduceerde of ontleende informatie inaccuraat of misleidend is. De Bieder en de Vennootschap zijn niet verantwoordelijk voor de verklaringen van de accountant in dit Biedingsbericht.

Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

De informatie in het Biedingsbericht geeft de situatie weer op de datum van het Biedingsbericht, tenzij specifiek anders is aangegeven. Onder geen beding houden publicatie en verspreiding van het Biedingsbericht in dat de hierin opgenomen informatie ook na de datum van het Biedingsbericht juist en volledig is of dat er sinds deze datum geen wijziging is opgetreden in de in het Biedingsbericht uiteengezette informatie of in de gang van zaken bij de Vennootschap en/of haar Gelieerde Ondernemingen.

## 10.2 Nederlandse definities

In het Biedingsbericht zal een verwijzing naar gedefinieerde termen in het meervoud gelijk staan aan verwijzingen naar dergelijke gedefinieerde termen in het enkelvoud en *vice versa*. Alle grammaticale en andere veranderingen die nodig zijn bij het gebruiken van een definitie in het enkelvoud dan wel meervoud dienen te worden beschouwd te zijn gemaakt en dienen te worden toegepast alsof zulke veranderingen zijn gemaakt. Een verwijzing naar “inclusief” betekent “inclusief, maar niet beperkt tot”.

De gedefinieerde termen in de Paragraaf 10.2 van deze samenvatting hebben de volgende betekenis in het Biedingsbericht:

<b>Aanbeveling</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.10 ( <i>Aanbeveling door de Raden</i> )
<b>Aandeelhouder(s)</b>	houder(s) van één of meer Aandelen
<b>Aandeelhoudersfinanciering</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.9 ( <i>Financiering van het Bod</i> )
<b>Aandelen</b>	Alle geplaatste en uitstaande aandelen in het aandelenkapitaal van Refresco op enig moment
<b>Aangemeld Aandeel</b>	elk Aandeel dat voorafgaand aan, of op, de Sluitingsdatum op juiste wijze is aangemeld (of op onjuiste wijze, indien de Bieder de Aanmelding desalniettemin heeft aanvaard) en geleverd onder het Bod
<b>Aankondiging</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.3 ( <i>Uitnodiging aan de Aandeelhouders</i> )
<b>Aanmelding</b>	de aanmelding van Aandelen door de Aandeelhouders ter aanvaarding van het Bod
<b>Aanmeldingstermijn</b>	de periode waarin de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, welke begint op 23 januari 2018 om 09:00 uur CET en eindigt op de Sluitingstijd.
<b>Activa Verkoop</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.2 ( <i>Belang om 100% van de Aandelen te verwerven</i> )

<b>Activa Verkoop–Bandbreedte</b>	het totaal aantal Aangemelde Aandelen, tezamen met (i) Aandelen die direct of indirect worden gehouden door de Bieder of haar Gelieerde Ondernemingen, (ii) Aandelen onherroepelijk aangeboden aan de Bieder en haar Gelieerde Ondernemingen, schriftelijk, en (iii) Aandelen door de Bieder of haar Gelieerde Ondernemingen gekocht maar nog niet geleverd in geval van (i), (ii) en (iii) op de eerste Werkdag na het sluiten van de Na-Aanmeldingstermijn, vertegenwoordigt minder dan 95% (vijfennegentig procent) maar meer dan 80% (tachtig procent) van het totaal geplaatste en uitstaand gewoon kapitaal van de Vennootschap
<b>Activa Verkoopovereenkomst</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.2 (Belang om 100% van de Aandelen te verwerven)
<b>AFM</b>	de Stichting Autoriteit Financiële Markten
<b>BAVA</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.8 ( <i>Buitengewone algemene vergadering van Aandeelhouders</i> )
<b>bclMC</b>	British Columbia Investment Management Corporation
<b>bclMC Fonds</b>	Cubalibre Investment Limited Partnership, de indirecte aandeelhouder van de Bieder (aan de kant van de bclMC groep)
<b>Bedrijfsstrategie</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.6.2 ( <i>Strategie</i> )
<b>Beëindigende Partij</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.13 ( <i>Beëindiging van de Fusie-overeenkomst</i> )
<b>Belasting</b>	betekent alle belastingen, sociale lasten, bijdragen en andere heffingen van welke aard, afzonderlijk of gezamenlijk verschuldigd aan, te betalen aan, geheven door, opgelegd door, beweerd te zijn verschuldigd aan, toegekend aan of verantwoordelijk gehouden door iedere supranationale, nationale, federale, provinciale, gemeentelijke, lokale, buitenlandse of andere autoriteit die bevoegdheid is belasting te heffen, inclusief, maar niet beperkt tot, vennootschapsbelasting, waaronder begrepen loonbelasting, belastingen over toegevoegde waarde, sociale zekerheidsbijdragen en sociale bijdragen voor werknemers, inkomstenbelasting, winstbelasting, belasting op bruto-inkomsten, licentiebelasting, werknemersbelasting, douane- en accijnzenbelasting, belasting op ontslagvergoedingen, zegelbelasting, premiebelasting, winstbelasting, milieubelastingen en

heffingen, kapitaalbelasting en andere wettelijke transactiebelastingen, franchisebelasting, bronbelasting, belasting op invaliditeits- of werkloosheidsuitkeringen, onroerende zaakbelasting, belasting op persoonlijke eigendommen, omzetbelasting, overdrachtsbelasting, gemeentelijke belasting, geschatte of voorlopige belasting of enige andere belasting van welke aard dan ook, inclusief alle rente, boetes of andere toevoegingen, ongeacht of deze worden betwist of niet

<b>Besluit(en)</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.8 ( <i>Buitengewone algemene vergadering van Aandeelhouders</i> )
<b>Bieder</b>	Sunshine Investments B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, gevestigd aan het Prins Bernhardplein 200, 1097 JB Amsterdam, Nederland en ingeschreven in het Handelsregister onder nummer 69729220, uiteindelijk gezamenlijk indirect gecontroleerd door PAI en Cubalibre Holdings
<b>Biedingsbericht</b>	betekent dit biedingsbericht (inclusief de Engelse tekst) waarin bepalingen, voorwaarden en beperkingen met betrekking tot het Bod zijn opgenomen
<b>Biedprijs</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.3 ( <i>Uitnodiging aan de Aandeelhouders</i> )
<b>Bob</b>	Besluit openbare biedingen Wft
<b>Bod</b>	heeft de betekening die daaraan wordt toegekend in de aanhef van Hoofdstuk 10
<b>Burgerlijk Wetboek of BW</b>	het Burgerlijk Wetboek
<b>CET</b>	Central European Time
<b>Consortium</b>	de Bieder, en PAI en Cubalibre Holdings (en voor oprichting van Cubalibre Holdings, bclMC) gezamenlijk optredend via de Bieder
<b>Cubalibre Holdings</b>	Cubalibre Holdings Inc.
<b>Cott SPA</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 3.1 ( <i>Introduction</i> )
<b>Cott TB</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 3.1 ( <i>Introduction</i> )

<b>Cott TB Aankoop</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 3.1 ( <i>Introduction</i> )
<b>Dag van Gestanddoening</b>	de datum waarop de Bieder openbaar mededeelt dat het Bod gestand wordt gedaan overeenkomstig de Fusieregels. Artikel 16 lid 1 Bob bepaalt dat een dergelijke openbare mededeling zal worden gedaan binnen drie (3) Werkdagen na de Sluitingsdatum
<b>Dag van Overdracht</b>	de datum waarop, overeenkomstig de voorwaarden van het Bod, de Bieder de Biedprijs zal betalen aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de Aanmelding daarvan desalniettemin aanvaardt) onder het Bod voor de Sluitingsdatum, tegen levering van hun Aandelen, welke datum naar verwachting de vijfde (5e) Werkdag na de Dag van Gestanddoening is
<b>EY</b>	Ernst & Young Accountants LLP
<b>EUR, Euro of €</b>	de Euro, het wettig betaalmiddel in de lidstaten van de Europese Monetaire Unie
<b>Euronext Amsterdam</b>	Euronext in Amsterdam, de gereguleerde markt van Euronext Amsterdam N.V.
<b>Fusie-overeenkomst</b>	de fusie-overeenkomst zoals overeengekomen tussen en ondertekend door de Bieder en de Vennootschap op 24 oktober 2017
<b>Fusieregels</b>	alle toepasselijke wet- en regelgeving met betrekking tot het Bod, inclusief maar niet beperkt tot de toepasselijke artikelen van de Wft en het Bob, alsmede nadere regelgeving en beleidsregels afgekondigd onder de Wft en het Bob, de MAR, het SER-besluit Fusiegedragsregels 2015, de Wet op de ondernemingsraden, de beleidsregels en interpretaties van de AFM, het reglement van Euronext Amsterdam, het BW en andere toepasselijke wet- en regelgeving op het gebied van het effectenrecht en het mededingingsrecht in andere relevante jurisdicties
<b>Gelieerde Ondernemingen</b>	betekent elke vennootschap, samenwerkingsverband, coöperatie, of andere onderneming of juridische entiteit of andere persoon die direct of indirect, alleen of gezamenlijk door de Bieder of de Vennootschap wordt beheerst of de Bieder of de Vennootschap beheerst, inclusief elk van haar dochtermaatschappijen en groepsmaatschappijen zoals bedoeld in artikel 2:24a en 2:24b van het BW, respectievelijk, exclusief, ter voorkoming van

	misverstanden, de portfolio bedrijven gelieerd aan de Bieder
<b>Groep</b>	de Vennootschap en haar dochtermaatschappijen zoals bedoeld in artikel 2:24a van het Burgerlijk Wetboek en de entiteiten waar de Vennootschap direct of indirect een minderheidsbelang in heeft
<b>Groepsmaatschappij</b> <b>Grootaandeelhouders</b>	ieder lid van de Groep Ferskur Holding 1 B.V., Tamoia Ltd, 3i GC Holdings Ref 1 S.à.r.l. en 3i GC Holdings Ref 2 S.à.r.l.
<b>Herstructurering Na-Overdracht</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.4 ( <i>Andere Herstructurering Na-Overdracht</i> )
<b>Hoofdstuk</b>	een hoofdstuk van dit Biedingsbericht
<b>Koopprijs</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.3 (b) ( <i>Activa Verkoop en Liquidatie</i> )
<b>Liquidatie</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.3 ( <i>Activa Verkoop en Liquidatie</i> )
<b>MAR</b>	Verordening (EU) nr. 596/2014 betreffende Marktmisbruik
<b>Materieel Negatief Effect</b>	<p>elke verandering, gebeurtenis, omstandigheid of effect (elk een <b>Effect</b>), die individueel of in samenhang met alle andere Effecten, waarvan vaststaat of redelijkerwijs kan worden verwacht dat dit materieel negatief is voor de bedrijfsvoering, de activa, het bedrijfsresultaat, de kapitalisatie van de Vennootschap, haar Groepsmaatschappijen en Cott TB, als geheel beschouwd, dat van zodanige aard is dat redelijkerwijs niet van de Bieder verwacht kan worden dat zij het Bod gestand zal doen, met dien verstande dat voor de vaststelling of sprake is geweest of zal zijn van een Materieel Negatief Effect, de hierna genoemde Effecten niet zullen worden meegenomen:</p> <ul style="list-style-type: none"> <li>(a) veranderingen in de toepasselijke wetgeving, reglementen, verslaggevingsstandaarden, dan wel een wijziging van de interpretatie daarvan, na de datum van de Fusie-overeenkomst;</li> <li>(b) veranderingen in financiële markten en economieën in het algemeen, of de industrie waarin de Groep opereert, tenzij deze veranderingen een disproportioneel effect hebben op de Vennootschap, de Groep en Cott TB, in het geheel genomen, in vergelijking met</li> </ul>



andere vergelijkbare vennootschappen die in dezelfde industrie opereren;

- (c) elke aangelegenheid die bekend is bij de Bieder vóór de datum van ondertekening van de Fusie-overeenkomst of die bij de Bieder redelijkerwijs bekend had moeten zijn ten gevolge van (i) de redelijke bekendmaking (*fair disclosure*) door de Vennootschap aan de Bieder als onderdeel van het boekenonderzoek ten aanzien van de Groep uitgevoerd door PAI, bclMC, hun Gelieerde Ondernemingen en hun adviseurs vóór de datum van ondertekening van de Fusie-overeenkomst, of (ii) informatie beschikbaar in het publieke domein;
- (d) schommelingen in de koers of het handelsvolume van Aandelen in het kader van alledaagse handelstransacties;
- (e) elk tekortkoming, op zichzelf, door de Vennootschap of de Groep om te voldoen aan interne prognoses of prognoses gepubliceerd door derden, met inbegrip van solvabiliteitsprognoses, -voorspellingen of inkomsten- of winstvoorspellingen (met dien verstande dat, in een dergelijk geval, de onderliggende oorzaak van een dergelijke tekortkoming mag worden meegewogen bij het bepalen of er mogelijk sprake is van een Materieel Negatief Effect);
- (f) het aankondigen, doen of implementeren van het Bod; en
- (g) het niet-nakomen van de Fusie-overeenkomst of de toepasselijke wet door de Bieder.

**Materieel Tekortkomen**

heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.13 (*Beëindiging van de Fusie-overeenkomst*)

**Mededingingsautoriteiten**

heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.11 (h) (*Mededingingsgoedkeuringen*)

**Na-Aanmeldingstermijn**

heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.23 (*Na-Aanmeldingstermijn*)

**Nederlandse Corporate Governance Code**

de Nederlandse Corporate Governance Code (zoals gepubliceerd op 8 december 2016) zoals gewijzigd van tijd tot tijd, zoals in de wet verankerd via artikel 2:391 sub 5 van het Burgerlijk Wetboek

<b>Niet-Financiële Convenanten</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.6 ( <i>Niet-Financiële Convenanten</i> )
<b>Omwisselkantoor</b>	ABN AMRO Bank N.V.
<b>Onafhankelijke Commissarissen</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.7.2 ( <i>Samenstelling Raad van Commissarissen</i> )
<b>Onafhankelijke RvC leden</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.7.2 ( <i>Samenstelling Raad van Commissarissen</i> )
<b>Onderneming</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.2 ( <i>Belang om 100% van de Aandelen te verwerven</i> )
<b>Ondernemingsraad</b>	de ondernemingsraad van Refresco in de Benelux
<b>Onherroepelijke Toezeggingen</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.15 ( <i>Onherroepelijke Toezeggingen</i> )
<b>Overdracht</b>	de voldoening van de Biedprijs door de Bieder aan de Aandeelhouders voor elk Aangemeld Aandeel
<b>PAI</b>	PAI Partners SAS, een Frans portfolio management bedrijf goedgekeurd en gereguleerd door de Autorité des marchés financiers (AMF) in Frankrijk en gereguleerd door de Financial Conduct Authority (FCA) in het Verenigd Koninkrijk
<b>PAI Fonds</b>	Financière Scheffer S.à r.l., de indirecte aandeelhouder van de Bieder (aan de kant van PAI)
<b>Paragraaf</b>	een paragraaf van dit Biedingsbericht
<b>Raad van Bestuur</b>	de raad van bestuur van de Vennootschap
<b>Raad van Commissarissen</b>	de raad van commissarissen van de Vennootschap
<b>Raden</b>	de Raad van Bestuur en de Raad van Commissarissen
<b>Schuldfinanciering</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.9 ( <i>Financiering van het Bod</i> )
<b>Sluitingsdatum</b>	de datum waarop de Sluitingstijd plaatsvindt, welke in overeenstemming met artikel 15 van het Bob kan worden verlengd
<b>Sluitingstijd</b>	de datum en het tijdstip waarop de Aanmeldingstermijn afloopt, namelijk om 17:40 uur CET op 30 maart 2018, of een dusdanig latere datum en tijdstip, indien het Bod wordt verlengd in overeenstemming met artikel 15 van het Bob

<b>Standpuntbepaling</b>	de standpuntbepaling van de Raden met betrekking tot het Bod in overeenstemming met artikel 18 lid 2 van het Bob, die geen deel uitmaakt van het Biedingsbericht
<b>Statuten</b>	de statuten van de Vennootschap voor het laatst gewijzigd op 13 mei 2016
<b>Tekortkomende partij</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.13 (c) ( <i>Beëindiging van de Fusie-overeenkomst</i> )
<b>Toegelaten Instellingen</b>	instellingen die zijn toegelaten tot Euronext Amsterdam
<b>Tweede Stap Distributie</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.3 ( <i>Activa Verkoop en Liquidatie</i> )
<b>Transacties</b>	het Bod en de Activa Verkoop en Liquidatie
<b>Uitkoop</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.1 ( <i>Uitkoopprocedure</i> )
<b>Vennootschap of Refresco</b>	Refresco Group N.V., een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Rotterdam, gevestigd te Fascination Boulevard 270 (3065 WB) Rotterdam, Nederland en ingeschreven bij het Handelsregister onder nummer 24395416
<b>Vereffenaar</b>	een vereffenaar voor de Vereffening
<b>Vereffening</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.16.3 ( <i>Activa Verkoop en Liquidatie</i> )
<b>Voorwaarden</b>	heeft de betekenis die daaraan wordt toegekend in Paragraaf 10.11 ( <i>Voorwaarden</i> )
<b>Werkdag</b>	betekent iedere dag, anders dan een zaterdag, zondag of een algemeen in Nederland erkende feestdag waarop Euronext Amsterdam en banken in Nederland, volgens de collectieve arbeidsovereenkomst voor het bankbedrijf (Algemene Bank- CAO), in het algemeen geopend zijn
<b>Wft</b>	de Wet op het financieel toezicht

### 10.3 Uitnodiging aan de Aandeelhouders

Op 25 oktober 2017 hebben de Bieder en Refresco gezamenlijk aangekondigd (de **Aankondiging**) dat zij voorwaardelijke overeenstemming hebben bereikt over de belangrijkste voorwaarden van het voorgenen openbare bod van de Bieder op de Aandelen voor een biedprijs in contanten van EUR 20 per Aandeel (cum dividend) zonder rente en vóór enige toepasselijke belastingheffing (de **Biedprijs**). Zie tevens Hoofdstuk 12 (*Press Releases*).

Onder verwijzing naar de verklaringen, voorwaarden en beperkingen zoals opgenomen in Hoofdstuk 1 (*Restrictions and Important Information*) van het Biedingsbericht worden

Aandeelhouders uitgenodigd om hun Aandelen aan te bieden op de wijze en onder de voorwaarden zoals in het Biedingsbericht beschreven.

#### 10.4 Het Bod

De Bieder doet een Bod tot koop van alle Aandelen, onder de voorwaarden en conform de bepalingen en beperkingen in het Biedingsbericht.

Op voorwaarde dat het Bod gestand wordt gedaan, zal aan de Aandeelhouders die hun Aandelen onder het Bod op geldige wijze hebben aangemeld (of op ongeldige wijze, indien de Bieder de Aanmelding daarvan desalniettemin aanvaardt) de Biedprijs in contanten worden betaald. Indien op of tussen de datum van de Fusie-overeenkomst en de Dag van Overdracht een (tussentijdse) uitkering in contanten, aandelen of een andersoortige uitkering wordt vastgesteld, dan zal de Biedprijs per Aandeel worden verminderd met het bedrag per Aandeel gelijk aan de uitkering in contanten of in aandelen of andersoortige uitkering per Aandeel vóór enige toepasselijke belastinginhouding.

Elke aanpassing van de Biedprijs ten gevolge van een dividendaankondiging of uitkering vastgesteld door de Refresco, zal door middel van een persbericht in overeenstemming met Paragraaf 4.13 (*Announcements*) van het Biedingsbericht kenbaar worden gemaakt.

Bij het vaststellen van de Biedprijs, heeft de Bieder zorgvuldig de historie en vooruitzichten van Refresco in overweging genomen, waaronder een analyse van de historische financiële informatie en eventuele toekomstige ontwikkelingen met betrekking tot winstgevendheid van de Vennootschap, kasstromen, de balans afkomstig uit (a) de tussentijdse financiële verslagen en jaarstukken van Refresco, de presentaties van analisten en persberichten in de periode van 16 april 2013 tot aan de datum van dit Biedingsbericht, (b) de historische marktwaarde van de Aandelen in de periode van 27 maart 2015 (de eerste handelsdag na de beursgang van Refresco) tot en met 2 oktober 2017 (de laatste handelsdag voorafgaand aan het persbericht van Refresco met betrekking tot de herhaalde belangstelling van PAI en de bclMC groep om Refresco van de beurs te halen), (c) analisten rapporten in de periode van 25 juli 2017 (de eerste handelsdag na de bekendmaking van Refresco's acquisitie van Cott TB) tot 2 oktober 2017 en (d) management verwachtingen die aan de Bieder zijn verstrekt als onderdeel van het boekenonderzoek. Zie tevens Paragraaf 3.2 (*Substantiation of the Offer Price*).

De onderhandelingen met PAI en de bclMC groep hebben geresulteerd in een definitieve prijs van EUR 20 per Aandeel. Een Biedprijs van EUR 20 is gebaseerd op uitvoerige discussies met Refresco in de periode na 3 oktober 2017, op grond waarvan PAI en de bclMC groep verder werden overtuigd over de mogelijkheid toegevoegde waarde te creëren en risico's te verkleinen (in het bijzonder met betrekking tot mogelijk waardeverlies als gevolg van maatregelen die nodig zouden zijn voor de goedkeuring van de Cott TT Aankoop door de mededingingsautoriteit in het Verenigd Koninkrijk (CMA)). De Raden vinden het voorstel, inclusie de Biedprijs van EUR 20 per Aandeel redelijk en gepast.

De Biedprijs vertegenwoordigt een premie van ongeveer:

- (a) 15.4% ten opzichte van de slotkoers per Aandeel op Euronext Amsterdam op 2 oktober 2017 (de laatste handelsdag voorafgaand aan Refresco's publieke aankondiging van PAI's hernieuwde interesse in een take-private transactie);
- (b) 22.2% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam van EUR 16.37 sinds de aankondiging van de Cott TB Aankoop op 25 juli 2017;<sup>7</sup>

<sup>7</sup> Gemiddelde aandelenprijs voor periode van 25 juli 2017 tot en met 2 oktober 2017, de datum voorafgaand aan Refresco's publieke aankondiging van PAI en bclMC's hernieuwde interesse voor een take-private transactie.

- (c) 40.7% ten opzichte van de slotkoers per Aandeel op Euronext Amsterdam van EUR 14.21 op 5 april 2017;<sup>8</sup>
- (d) 29.6% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam gedurende twaalf (12) maanden voorafgaand aan en inclusief 2 oktober 2017;
- (e) 17.9% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam gedurende zes (6) maanden voorafgaand aan en inclusief 2 oktober 2017;
- (f) 20.2% ten opzichte van de gemiddelde slotkoers per Aandeel op Euronext Amsterdam voor de drie (3) maanden voorafgaand aan en inclusief 2 oktober 2017;
- (g) 37.9% ten opzichte van Refresco's IPO prijs van EUR 14.50; en
- (h) 12.7% ten opzichte van gemiddelde van de laatste analisten prijsdoelen voor de Aandelen, uitgegeven voor 2 oktober 2017 (mediaan analisten prijsdoel van EUR 17.75). De betreffende analisten zijn ABN AMRO, Degroof Petercam, ING, KBC Securities, Kempen & Co., Kepler Cheuvreux, NIBC en Societe Generale.

Ter vergelijking, de gemiddelde premie over de genormaliseerde aandelenprijs (de slotkoers één dag voorafgaand aan de dag voor aankondiging van de transactie of, indien dit eerder is, materiële, openbare speculatie over een transactie, indien van toepassing) is ongeveer 34% bij openbare biedingen van financiële investeerders op 100% (honderd procent) van het uitstaande aandelenkapitaal van Nederlandse beursgenoteerde vennootschappen op de Euronext Amsterdam met een ondernemingswaarde groter dan EUR 250 miljoen die in een periode van vijf (5) jaar voorafgaand aan 2 oktober 2017 zijn aangekondigd en afgerond. De geselecteerde transacties omvatten: Ten Cate / consortium geleid door Gilde Buy Out Partners, Nutreco / SHV Holdings, Exact / Apax Partners, DE Master Blenders 1753 / JAB, Unit4 / Advent International, Xeikon / Bencis en Mediq / Advent International.

## 10.5 Motivering van het Bod

Het Consortium is voornemens om de bestaande *buy-and-build* strategie van de Raden volledig te ondersteunen en zal zich in het belang van de Vennootschap inspannen om toegang te verschaffen tot haar uitgebreide netwerk en relaties in de consumptiegoederen sector wereldwijd. Het Consortium zal de Vennootschap ook toegang bieden tot kapitaal om haar *buy-and-build* strategie, in zowel Europa als in Noord-Amerika, te versnellen. Het Consortium voorziet dat de Vennootschap een prominente rol zal spelen in de consolidatie en uitbesteding trends van de drankenindustrie in Europa, Noord-Amerika en wereldwijd.

De Raden zijn van mening dat de Biedprijs het waarde creatie potentieel van de Vennootschap, inclusief de Cott TB Aankoop, volledig reflecteert. Door het Bod te accepteren kunnen de Aandeelhouders het waarde potentieel onmiddellijk realiseren in plaats van na verloop van tijd, waarbij het bijbehorende uitvoeringsrisico van de Cott TB Aankoop wordt geëlimineerd. Bovendien voorkomt het de verwachte verwatering van de uitgifte van aandelen van EUR 200 miljoen, die in verband met de financiering van de Cott TB Aankoop was gepland. De Raden zijn unaniem van mening dat het Bod een eerlijke prijs voor de aandeelhouders vertegenwoordigt en in het beste belang is van Refresco en al haar *stakeholders*.

<sup>8</sup> Aandelenprijs voorafgaand aan PAI's voorstel van 6 april 2017 en daaropvolgend de publieke aankondiging van Refresco, gecorrigeerd voor het dividend van boekjaar 2016 van EUR 0.38 per Aandeel betaald op 6 juni 2017.

## 10.6 Niet-Financiële Convenanten

De Bieder en de Vennootschap zijn bepaalde niet-financiële convenanten overeengekomen, zoals weergegeven in deze Paragraaf 10.6 (*Niet-financiële Convenanten*), voor een periode van 3 jaar vanaf 24 oktober 2017, de datum van de Fusie-overeenkomst (de **Niet-Financiële Convenanten**):

### 10.6.1 Structuur van de Groep

Rekening houdend met de vennootschapsrechtelijke- en bedrijfsbelangen van de Vennootschap en haar *stakeholders*, zal de Bieder ervoor zorgdragen dat:

- (a) de Vennootschap een zelfstandig rechtspersoon blijft en de houdstermaatschappij blijft van de dochtermaatschappijen en activiteiten van de Vennootschap van tijd tot tijd;
- (b) de handelsnaam van de Vennootschap zal worden gehandhaafd;
- (c) het hoofdkantoor, het centrale bestuur en de belangrijkste ondersteuningsfuncties van de Vennootschap in Rotterdam, Nederland blijven;
- (d) de governance structuur van de Vennootschap dualistisch (*two tier*) blijft; en
- (e) de bedrijfsidentiteit en cultuur van de Vennootschap behouden blijven, met erkenning van de geschiedenis en de verdiensten van de Vennootschap uit het verleden.

### 10.6.2 Strategie

- (a) De Bieder ondersteunt de Bedrijfsstrategie (als in de volgende Paragraaf gedefinieerd) van de Groep volledig en zal de Vennootschap en haar Groepmaatschappijen assisteren bij het realiseren van de Bedrijfsstrategie.
- (b) Voor de toepassing van deze Paragraaf, betekent **Bedrijfsstrategie** het leveren van winstgevende groei in de drankindustrie, zowel ten aanzien van consumenten merken als in het kader van industriële overeenkomsten, door organische expansie en voortdurende consolidatie van de markt, alles in overeenstemming met de huidige strategie van de Vennootschap.
- (c) De Bieder zal de groei van de productie van de Groep ondersteunen en de belangrijkste handelsmerken van de Groep behouden.

### 10.6.3 Werknemers

- (a) De Bieder zal de bestaande rechten en aanspraken van de werknemers van de Groep respecteren, inclusief de bestaande rechten en aanspraken op grond van hun individuele arbeidsovereenkomsten, collectieve arbeidsovereenkomsten, sociale plannen, en inclusief bestaande rechten en aanspraken op grond van bestaande convenanten die gemaakt zijn met de ondernemingsraden en vakbonden.
- (b) De Bieder zal ervoor zorgen dat het een cultuur van excellentie bevordert, waarbij gekwalificeerde werknemers een aantrekkelijke opleiding en nationale en internationale loopbaanontwikkeling worden geboden.
- (c) De Bieder voorziet geen materiële reducties van het totale personeelsbestand als direct gevolg van het Bod, de voltooiing daarvan of de Activa Verkoop.

#### 10.6.4 Herinvestering vrije kasstroom

- (a) Het huidige portfolio van product-, markt- en technologieposities zal in principe worden versterkt door middel van investeringen, met een focus op organische groei en overnames.
- (b) De Bieder erkent het belang van *research & development* voor het opereren van de Groep en zal toestaan dat de Groep blijft investeren in *research & development*, overeenkomstig de Bedrijfsstrategie, en met inachtneming van huidige praktijk hieromtrent.

#### 10.6.5 Buy-and-Build

- (a) Als onderdeel van haar steun voor de Bedrijfsstrategie, zal de Bieder de *buy-and-build* strategie van de Groep ondersteunen en respecteren, wat betekent dat de Bieder zal toestaan dat de Groep investeert in andere marktgroepen en dat deze marktgroepen, naast verbeteringen en/of investeringen in de bestaande bedrijfsvoering, verder mogen worden versterkt door middel van overnames.
- (b) De Bieder erkent dat de Groep extra kapitaal nodig zou kunnen hebben om aanvullende overnames te doen als onderdeel van haar *buy-and-build* strategie en is voornemens om extra eigen vermogen beschikbaar te stellen om dit soort overnames te financieren, binnen het toepasselijke goedkeuringsbeleid van de Groep en de (financiële) parameters die van toepassing zijn van tijd tot tijd, en met het oog op een gebalanceerde combinatie van schuld en vermogen.

#### 10.6.6 Verhouding tussen eigen en vreemd vermogen

- (a) De Bieder zal de verhouding tussen eigen en vreemd vermogen van de Vennootschap handhaven op een op het niveau van deze verhouding na Overdracht van het Bod, in overeenstemming met het beleid ten aanzien van de boekhouding en het *leverage* rekenmodel, met de mogelijkheid om aanpassingen door te voeren voor pro-forma, niet-doorlopende posten en gerealiseerde synergieën of synergieën die gerealiseerd worden in de periode van 18 maanden na Overdracht
- (b) De verhouding tussen eigen en vreemd vermogen zal in overeenstemming zijn met toepasselijke wet- en regelgeving in de EU, de VS en elders.

#### 10.6.7 Afwijking

De Raad van Bestuur en de Raad van Commissarissen kunnen, indien zij gezamenlijk optreden, afwijken van de Niet-Financiële Convenanten als zij van mening zijn dat een dergelijke afwijking in het beste belang is van de Vennootschap, rekening houdend met de belangen van alle *stakeholders*, waarbij de bevestigende stem van ten minste één (1) Onafhankelijk Commissaris (zoals hieronder gedefinieerd) nodig zal zijn in de vergadering van de Raad van Commissarissen.

### 10.7 Governance Na-Overdracht

#### 10.7.1 Samenstelling Raad van Bestuur

Per de datum van dit Biedingsbericht bestaat de Raad van Bestuur uit de volgende leden die op de Dag van Overdracht aan zullen blijven als leden van de Raad van Bestuur:

- i. Mr. Hans Roelofs;



- ii. Mr. Aart Duijzer; en
- iii. Mr. Vincent Delozière.

De Bieder verlangt dat senior management deelneemt in het bedrijf en zal het senior management derhalve de mogelijkheid bieden om in de Vennootschap te investeren. De investering door leden van het senior management zal hun lange termijn betrokkenheid bij de Vennootschap weerspiegelen en is bedoeld om het senior management te stimuleren om bij te dragen aan het toekomstige succes en de financiële prestaties op de lange termijn van de Vennootschap.

Bepaalde leden van het senior management (inclusief de leden van de Raad van Bestuur) worden mogelijk uitgenodigd om in de Vennootschap te investeren op basis van een management participatieplan na de Dag van Overdracht. Elke overeenkomst met betrekking tot de investering door senior management zal niet van kracht worden voor, en is afhankelijk van, voltooiing van het Bod. Definitieve documenten moeten nog worden overeengekomen.

#### 10.7.2 Samenstelling Raad van Commissarissen

Onmiddellijk na de Dag van Overdracht en tot de afronding van de Herstructurering Na-Overdracht zal de Raad van Commissarissen uit zes (6) leden bestaan. Twee (2) leden zullen onafhankelijk zijn ('onafhankelijk' heeft de betekenis zoals gedefinieerd in de Nederlandse Corporate Governance Code) (de **Onafhankelijke RvC leden** en ieder individueel een **Onafhankelijk RvC lid**), van wie er een zal worden gekozen als voorzitter van de Raad van Commissarissen. De Bieder heeft het recht de overige vier (4) leden van de Raad van Commissarissen te benoemen.

Zowel de Bieder als de Vennootschap zal zich redelijkerwijs inspannen om ervoor te zorgen dat de Raad van Commissarissen als volgt samengesteld zal worden na de Overdracht:

- (a) Yiannis Petrides en Theo de Kool als Onafhankelijke RvC leden (*i.e.* twee huidige leden van de Raad van Commissarissen); Yiannis Petrides wordt de voorzitter van de Raad van Commissarissen; en
- (b) Jim Pittman, Julian Remedios, Frédéric Stévenin en Nicolas Brugère die zijn voorgedragen voor benoeming door de Bieder.

Bij staking van stemmen met betrekking tot een op een vergadering van de Raad van Commissarissen voor te stellen besluit, heeft de voorzitter van de Raad van Commissarissen het recht om naast zijn huidige stem een extra en beslissende stem uit te brengen. Indien de voorzitter afwezig is op een vergadering van de Raad van Commissarissen, zal het andere Onafhankelijke RvC lid voorzitter zijn van deze vergadering en zal hij of zij het recht hebben om, naast zijn of haar huidige stem als voorzitter, twee stemmen uit te brengen op ieder voorgesteld besluit tijdens een vergadering.

De Onafhankelijke RvC leden zijn ieder lid van de Raad van Commissarissen tijdens de Herstructurering Na-Overdracht. De Onafhankelijke RvC leden zullen aftreden als lid van de Raad van Commissarissen aan het eind van de voormelde periode. In hun hoedanigheid als lid van de Raad van Commissarissen tijdens deze periode, zullen de Onafhankelijke RvC leden de belangen van alle stakeholders van de Vennootschap, inclusief, in het bijzonder, de belangen van minderheidsaandeelhouders, bewaken en beschermen, en de Onafhankelijke RvC leden hebben het recht een Herstructurering Na-Overdracht goed te keuren, anders dan de Uitkoop en Activa Verkoop, inclusief de Liquidatie van de Vennootschap en benoeming van een Vereffenaar, waar al over besloten is door de Raden en op voorwaarde dat de

Aandeelhouders alle relevante besluiten met betrekking tot de Activa Verkoop, de Liquidatie van de Vennootschap en benoeming van een Vereffenaar op de BAVA hebben aangenomen voorafgaand aan de initiële Sluitingstijd (waarbij “recht om goed te keuren” betekent dat een van de voornoemde transacties alleen is toegestaan met voorafgaande goedkeuring van de Raad van Commissarissen inclusief een stem voor een dergelijke goedkeuring door ieder van de Onafhankelijke RvC leden).

Zodra praktisch mogelijk na afronding van de Herstructurering Na-Overdracht, zal de Raad van Commissarissen bestaan uit zes (6) leden. De Bieder heeft het recht om alle zes (6) de leden van de Raad van Commissarissen te benoemen. Twee (2) van de leden van de Raad van Commissarissen zullen relevante branchekennis hebben (de **Onafhankelijke Commissarissen**). De voorzitter van de Raad van Commissarissen zal worden gekozen uit de twee (2) leden van de Raad van Commissarissen met relevante branchekennis ten laatste (i) zes (6) maanden na de Dag van de Overdracht of (ii) na voltooiing van de Herstructurering Na-Overdracht.

Per de Dag van Overdracht, zullen alle leden van de Raad van Commissarissen, met uitzondering van de Onafhankelijke RvC leden, aftreden als leden van de Raad van Commissarissen door middel van een ontslagbrief. Elk van deze RvC leden zal bevestigen dat hij of zij geen vordering op de Vennootschap heeft met betrekking tot verlies van functie of anderszins, behalve met betrekking tot compensatie die is opgebouwd voorafgaand aan de Dag van Overdracht. Tijdens de BAVA, wordt de algemene vergadering verzocht om elk van de aftredende RvC leden de gebruikelijke volledige en finale kwijting te verlenen met betrekking tot zijn of haar positie of verplichtingen als RvC lid per de Dag van Overdracht, zodat elk van deze aftredende leden volledig wordt vrijgesteld van zijn of haar verplichtingen per datum van zijn of haar aftreden en op voorwaarde dat tegen de tijd van deze aftreding, geen fraude, opzettelijk wangedrag of ander crimineel gedrag van een dergelijk lid aan het licht is gekomen.

#### 10.7.3 **Voortzetting governance regelingen**

In het geval dat de Activa Verkoop wordt voltooid, zal elk van de governance regelingen die zijn opgenomen in de Fusie-overeenkomst, inclusief de Niet-Financiële Convenanten, worden geïmplementeerd op het niveau van de koper onder de Activa Verkoop.

#### 10.7.4 **Nederlandse Corporate Governance Code**

Zolang de Vennootschap genoteerd blijft op Euronext Amsterdam, zal zij zich blijven houden aan de Nederlandse Corporate Governance Code, behalve ten aanzien van (i) huidige en toekomstige afwijkingen van de voornoemde code, zoals met betrekking tot dergelijke afwijkingen is toegestaan onder de voornoemde code en (ii) afwijkingen van de voornoemde code die voortvloeien uit de Fusie-overeenkomst.

### 10.8 **Buitengewone Algemene Vergadering van Aandeelhouders**

Overeenkomstig artikel 18 van het Bob zal Refresco een buitengewone algemene vergadering van aandeelhouders bijeenroepen om het Bod te bespreken (de **BAVA**). De BAVA zal gehouden worden op 5 maart 2018 om 14:00 uur CET.

Op de BAVA zullen de Aandeelhouders worden verzocht te stemmen over de navolgende besluiten, onder de opschortende voorwaarde dat het Bod gestand wordt gedaan en effectief per de Dag van Overdracht:

- (a) de wijziging van de statuten naar het concept statuten zoals opgenomen in Hoofdstuk 16 (*Proposed new Articles of Association Post-Settlement*) statutenwijziging, met

inbegrip van (onder andere) de omzetting van de Vennootschap van een naamloze vennootschap in een besloten vennootschap (een dergelijke eventuele conversie kan alleen volgen na beëindiging van de notering van de Vennootschap);

- (b) de benoeming van Jim Pittman, Julian Remedios, Nicolas Brugère en Frédéric Stévenin, allen door de Bieder aangewezen, als nieuwe leden van de Raad van Commissarissen;
- (c) het verlenen van décharge aan de aftredende leden van de Raad van Commissarissen, met betrekking tot hun taken en verplichtingen in hun hoedanigheid van lid van de Raad van Commissarissen tot de datum van de BAVA; en
- (d) onder voorbehoud van het behalen van Activa Verkoop-Bandbreedte en effectief per de afwikkeling van de Na-Aanmeldingstermijn; de Activa Verkoop, de ontbinding van de Vennootschap en de benoeming van een Vereffenaar, de implementatie van welke in overeenstemming met Paragraaf 3.14 (*Post-Settlement Restructuring measures*) zal gebeuren;

(gezamenlijk de **Besluiten** en elk een **Besluit**).

Elk Besluit wordt aangenomen met gewone meerderheid van stemmen.

Bepaalde grootaandeelhouders van de Vennootschap hebben ingestemd met een onherroepelijke toezegging om, onder meer, vóór de Besluiten te stemmen, zoals verder beschreven in Paragraaf 3.12 (*Irrevocable Undertakings*).

## 10.9 Financiering van het Bod

Onder verwijzing naar artikel 7 lid 4 van het Bob heeft de Bieder in de Aankondiging aangekondigd over voldoende middelen te beschikken om het Bod te financieren.

Het Bod waardeert 100% van de Aandelen op ongeveer EUR 1.623 miljard.

De Bieder financiert het Bod en, indien van toepassing, de Activa Verkoop door een combinatie van een aandeelhoudersfinanciering die namens de Bieder beschikbaar wordt gesteld en schuldfinanciering door derden. In deze context heeft de Bieder bindende toezeggingen ontvangen met betrekking tot het eigen vermogen (*equity commitment letters*), onder andere van entiteiten die worden beheerd, gecontroleerd en/of geadviseerd door PAI en bcIMC, voor een totaalbedrag van EUR 1.000.000.000 die volledig zijn toegezegd, onder de gebruikelijke voorwaarden (de **Aandeelhoudersfinanciering**). Daarnaast heeft de Bieder bindende lening documentatie met betrekking tot de schuldfinanciering afgesloten met een consortium van gerenommeerde banken, waardoor de Bieder de mogelijkheid heeft om schuldfinanciering aan te trekken voor een totaalbedrag van EUR 2.415.000.000 onderworpen aan de bepalingen en voorwaarden uiteengezet in deze bindende lening documentatie, die gebruikelijk zijn voor een dergelijke transactie (de **Schuldfinanciering**). De Bieder heeft geen reden om aan te nemen dat de voorwaarden voor de Aandeelhoudersfinanciering of de Schuldfinanciering niet zullen worden vervuld op of vóór de Dag van de Overdracht.

Met de Aandeelhoudersfinanciering en de Schuldfinanciering zal de Bieder in staat zijn om de aankoop van de Aandelen in het kader van het Bod te financieren, evenals de vergoeding voor de Onderneming in het kader van de Activa Verkoopovereenkomst (indien van toepassing), de herfinanciering van de bestaande schuld van de Vennootschap (inclusief de herfinanciering van de schuld verbonden aan de Cott TB Aankoop) en de betaling van vergoedingen en uitgaven in verband met het Bod.

## 10.10 Aanbeveling door de Raden

Gedurende het proces hebben de Raden op frequente basis overleg gevoerd over de voortgang van de gesprekken met PAI en de bclMC groep en de belangrijke besluiten die daarmee verband houden. De Raden hebben uitgebreid financieel en juridisch advies ingewonnen en hebben alle aspecten van het Bod zorgvuldig in overweging genomen, bezien vanuit zowel het strategische, financiële, operationele als sociale oogpunt.

De steun van de Bieder voor de huidige *buy-and-build* strategie van Refresco wordt in dat opzicht als zeer belangrijk beschouwd, aangezien het handhaven van de strategie van invloed is op zowel de strategische, financiële, operationele als sociale overwegingen. Na een gepaste en zorgvuldige belangenafweging zijn zowel de Raad van Bestuur als de Raad van Commissarissen van mening dat het Bod een aantrekkelijk bod is dat een eerlijke prijs en een aantrekkelijke premie voor de Aandeelhouders vertegenwoordigt, evenals gunstige niet-financiële voorwaarden. De Raden hebben unaniem besloten, met inachtneming van de voorwaarden zoals vastgelegd in dit Biedingsbericht, dat de Transacties in het beste belang zijn van de Groep, de Aandeelhouders en de andere *stakeholders* van de Groep.

Met inachtneming van al deze overwegingen, ondersteunen zowel de Raad van Bestuur als de Raad van Commissarissen het Bod en de Activa Verkoop volledig, bevelen zij de Aandeelhouders unaniem aan het Bod te aanvaarden, en bevelen zij de Aandeelhouders tevens unaniem aan om voor de Besluiten te stemmen die zullen worden genomen tijdens de BAVA (de **Aanbeveling**).

## 10.11 Voorwaarden

De Bieder zal het Bod gestand doen indien aan de volgende opschortende voorwaarden (de **Voorwaarden**) wordt voldaan of indien daarvan afstand wordt gedaan in overeenstemming met deze Paragraaf 10.11:

### ***Acceptatiedrempel***

- (a) op de Sluitingsdatum vertegenwoordigen de Aangemelde Aandelen samen met de Aandelen, direct of indirect gehouden voor eigen rekening door de Bieder, ofwel (i) ten minste 95% (vijfennegentig procent) van het geplaatste en uitstaande aandelenkapitaal van de Vennootschap op de Sluitingsdatum, of (ii) 80% (tachtig procent) van het geplaatste en uitstaande aandelenkapitaal van de Vennootschap, op de Sluitingsdatum, onder de voorwaarde dat de Besluiten met betrekking tot de Activa Verkoop en Liquidatie op de BAVA voorafgaand aan de Sluitingsdatum zijn aangenomen en volledig van kracht zijn op de Sluitingsdatum;

### ***Geen inbreuk door de Bieder***

- (b) op of voor de Dag van Gestanddoening heeft de Bieder geen inbreuk gemaakt op enige bepaling uit de Fusie-overeenkomst en/of de Fusieregels, voor zover die inbreuk heeft geleid of redelijkerwijs kan worden verwacht te leiden tot een Materieel Negatief Effect voor de Vennootschap, het Bod of een van de andere Transacties;

### ***Geen inbreuk door de Vennootschap***

- (c) op of voor de Dag van Gestanddoening hebben noch de Vennootschap, noch de Raden of de leden van de Raden inbreuk gemaakt op enige bepaling uit de Fusie-overeenkomst en/of de Fusieregels, voor zover die inbreuk heeft geleid of redelijkerwijs kan worden verwacht te leiden tot een Materieel Negatief Effect voor het Bod;

### ***Geen Materieel Negatief Effect***

- (d) er heeft zich geen Materieel Negatief Effect voorgedaan of is bij de Bieder bekend geworden na de aanvang van de Aanmeldingstermijn;

### ***Afwikkeling van de Cott TB Aankoop***

- (e) de Cott TB Aankoop is afgerond overeenkomstig de voorwaarden zoals uiteengezet in de Cott SPA (de Bieder en Refresco verwachten dat de Cott TB Aankoop op 30 januari 2018 wordt afgewikkeld en derhalve enkele weken voor de Sluitingsdatum);

### ***Aanbeveling***

- (f) op of voor de Sluitingsdatum heeft geen van de Raden haar Aanbeveling ingetrokken, gewijzigd of gekwalificeerd;

### ***Geen bevroezingsbevelen***

- (g) op of voor de Dag van Gestanddoening is er geen bevel, aanhouding, uitspraak of vonnis uitgevaardigd door een rechter, arbitraal college, regering, overheidsinstantie of andere toezichthoudende of administratieve instantie, welke van toepassing is en blijft, noch is er enig statuut, wet- of regelgeving, overheidsaanwijzing of –maatregel voorgesteld, aangenomen, ten uitvoer gelegd of van toepassing verklaard op het Bod, die de voltooiing van het Bod of enige andere Transactie zoals uiteengezet in de voorwaarden van de Fusie-overeenkomst in enig materieel opzicht zal beperken, verbieden of vertragen of redelijkerwijs zou kunnen beperken, verbieden of vertragen;

### ***Mededingingsgoedkeuringen***

- (h) op of voor de Dag van Gestanddoening heeft elk van de volgende gebeurtenissen plaatsgevonden:
  - (i) met uitzondering van de verplichte mededingingsgoedkeuringen voorzien in (ii) hieronder, zijn alle materiële goedkeuringen, vergunningen, vrijstellingen en toestemmingen van de bevoegde mededingingsautoriteiten (de **Mededingingsautoriteiten**) vereist voor het voltooiën van het Bod, verkregen;
  - (ii) alle verplichte goedkeuringen van de Mededingingsautoriteiten, redelijkerwijs vereist in verband met de voltooiing van het Bod, zijn verkregen; en
  - (iii) alle wachtperiodes op grond van de toepasselijke wetgeving, waarin de Mededingingsautoriteiten zich kunnen verzetten tegen de uitvoering van het Bod of stappen kunnen ondernemen of aankondigen die het sluiten van het Bod zouden kunnen belemmeren of op enige andere wijze zouden resulteren in wezenlijk nadelige gevolgen voor de Groep of de Bieder, zijn verstrekt;

### ***Geen noteringsmaatregel***

- (i) op of voor de Dag van Gestanddoening is de handel in de Aandelen op Euronext Amsterdam niet opgeschort of beëindigd als gevolg van een noteringsmaatregel, genomen door Euronext Amsterdam overeenkomstig artikel 6901/2 of enige andere relevante bepaling van het Euronext Rulebook I (*Geharmoniseerde Regels*), afgezien van eventuele tijdelijke schorsingen;

### ***Geen Wft inbreuk***

- (j) op of voor de Dag van Gestanddoening heeft de AFM geen aankondiging gedaan op grond van artikel 5:80 lid 2 van de Wft dat de voorbereiding van het Bod in strijd is met

hoofdstuk 5 van de Wft, op grond waarvan beleggingsondernemingen zich dienen te onthouden van medewerking aan het Bod of de Overdracht; en

### ***Geen beëindiging***

- (k) op of voor de Dag van Gestanddoening is de Fusie-overeenkomst niet beëindigd overeenkomstig de bepalingen van de Fusie-overeenkomst.

## **10.12 Afstand doen van de Voorwaarden**

De Voorwaarden uiteengezet in de paragrafen 10.11 (g) en 10.11 (h) zijn opgenomen ten behoeve van zowel de Bieder als de Vennootschap. Van deze Voorwaarden mag alleen schriftelijk door de Bieder en de Vennootschap gezamenlijk afstand (in zijn geheel of gedeeltelijk) worden gedaan.

De Voorwaarde in Paragraaf 10.11 (a) is ten behoeve van beide Partijen, waarvan de Bieder te allen tijde (geheel of gedeeltelijk) afstand kan doen indien de Raden daar schriftelijke toestemming voor geven, met dien verstande dat voor het door de Bieder verlagen tot ten minste 75% van het geplaatste en uitstaande aandelenkapitaal van de Vennootschap, ongeacht of de Besluiten omtrent de Activa Verkoop en Liquidatie tijdens de BAVA, voorafgaand aan de initiële Sluitingsdatum zijn aangenomen, de schriftelijke toestemming van de Raden niet op onredelijke gronden zal worden geweigerd.

De Voorwaarden in Paragraaf 10.11 (c) tot Paragraaf 10.11 (h) zijn ten behoeve van de Bieder en de Bieder mag hier (geheel of gedeeltelijk) te allen tijde afstand van doen door middel van een schriftelijke kennisgeving aan de Vennootschap.

De Voorwaarde in Paragraaf 10.11 (b) is ten behoeve van de Vennootschap en de Vennootschap mag hier (geheel of gedeeltelijk) te allen tijde afstand van doen door middel van een schriftelijke kennisgeving aan de Bieder.

Er kan geen afstand worden gedaan van de Voorwaarden in Paragraaf 10.11 (i), Paragraaf 10.11 (j) en Paragraaf 10.11 (k).

## **10.13 Beëindiging van de Fusie-overeenkomst**

De Fusie-overeenkomst eindigt en alle daaraan gerelateerde rechten en verplichtingen mogen worden beëindigd:

- (a) bij wederzijds schriftelijk goedvinden van de Bieder en de Vennootschap;
- (b) door schriftelijke kennisgeving van de Bieder of de Vennootschap als beëindigende partij (de **Beëindigende Partij**) aan de andere partij indien een van de Voorwaarden ten gunste van de Beëindigende Partij niet is vervuld of hiervan geen afstand is gedaan door de Beëindigende Partij op de Sluitingsdatum, of indien het duidelijk is dat dergelijke Voorwaarden niet vervuld zullen worden en hiervan geen afstand zal worden gedaan door de Beëindigende Partij voor die Sluitingsdatum, behoudens met dien verstande dat de oorzaak van het niet in vervulling gaan van de desbetreffende voorwaarde niet is gelegen in het feit dat de Beëindigende Partij tekort is gekomen in de nakoming van enige verplichting uit hoofde van de Fusie-overeenkomst
- (c) door schriftelijke kennisgeving van de Beëindigende Partij aan de andere partij in het geval van een tekortkoming in de nakoming van de Fusie-overeenkomst door de andere partij (de **Tekortkomende Partij**) welk tekortkomen een materieel nadelig effect heeft, of wordt verwacht te hebben, op het Bod of de Vennootschap (een



**Materieel Tekortkomen**), voor zover (i) geen afstand wordt gedaan van een beroep op een dergelijk Materieel Tekortkomen door de Beëindigende Partij of (ii) het Materieel Tekortkomen niet is hersteld door de Tekortkomende Partij binnen tien (10) Werkdagen nadat de Tekortkomende Partij de schriftelijke kennisgeving van de Beëindigende Partij heeft ontvangen, met dien verstande dat de Tekortkomende Partij geen recht heeft op een dergelijke herstelperiode als het Materieel Tekortkomen niet kan worden hersteld;

- (d) door schriftelijke kennisgeving van de Bieder aan de Vennootschap op grond van Paragraaf 3.10.1.5 (*Exclusivity*);
- (e) door schriftelijke kennisgeving van de Vennootschap aan de Bieder op grond van Paragraaf 3.10.4 (e)(i) (*Procedure in case of a Competing Offer - Revised Offer*);
- (f) door schriftelijke kennisgeving van de Bieder aan de Vennootschap op grond van Paragraaf 3.10.4 (e)(ii) (*Procedure in case of a Competing Offer - Revised Offer*); en
- (g) door schriftelijke kennisgeving van de Bieder in het geval dat de Vennootschap of de Raden de Aanbeveling hebben herroepen, ingetrokken, gewijzigd of gekwalificeerd, of tegenstrijdige verklaringen hebben afgelegd met betrekking tot hun standpunt betreffende het Bod of de andere Transacties, in strijd met Paragraaf 3.8 (*Recommendation by the Boards*).

#### **10.14 Beëindigingscompensatie**

De Vennootschap zal, onmiddellijk na de eerste schriftelijke kennisgeving, een vergoeding aan de Bieder betalen ten bedrage van EUR 16,2 miljoen in contanten (zonder het recht dit te mogen verrekenen) ter compensatie voor alle schade, kosten en uitgaven van de Bieder in verband met het Bod, indien de Fusie-overeenkomst wordt beëindigd:

- (a) door de Bieder op grond van Paragraaf 3.10.6 (c) (*Termination of the Merger Protocol*), indien en voor zover het daarin bedoelde Materieel Tekortkomen verband houdt met een verplichting als bedoeld in Artikel 3.6 (d) (*Extraordinary General Meeting of Shareholders of Refresco*);
- (b) door de Bieder op grond van Paragraaf 3.10.6 (d) (*Termination of the Merger Protocol*);
- (c) door de Vennootschap op grond van Paragraaf 3.10.6 (e) (*Termination of the Merger Protocol*);
- (d) door de Bieder op grond van Paragraaf 3.10.6 (f) (*Termination of the Merger Protocol*); of
- (e) door de Bieder op grond van Paragraaf 3.10.6 (g) (*Termination of the Merger Protocol*).

#### **10.15 Onherroepelijke Toezeggingen**

Bepaalde Grootaandeelhouders van de Vennootschap hebben onherroepelijk toegezegd het Bod te steunen en te accepteren en alle Aandelen die door hen op of voor de initiële Sluitingsdatum worden gehouden aan te melden en ten gunste van de Besluiten te stemmen (de **Onherroepelijke Toezeggingen**), onder de voorwaarden dat (i) het Bod gestand wordt gedaan en (ii) het Bod niet wordt ingetrokken.



Daarnaast hebben de heer H. Roelofs (CEO van Refresco) en de heer A. Duijzer (CFO van Refresco) gezamenlijk handelend door OKIL Holding B.V., de heer V. Delozière (COO Europe van Refresco) en de heer T. de Kool (lid van de Raad van Commissarissen), onherroepelijk aan de Bieder toegezegd om op of voor de initiële Sluitingsdatum alle Aandelen die zij bezitten aan te melden, onder de voorwaarden dat (i) het Bod gestand wordt gedaan en (ii) het Bod niet wordt ingetrokken.

De onherroepelijke toezeggingen vertegenwoordigen gezamenlijk ongeveer 26,5% van alle geplaatste en uitstaande Aandelen en eindigen, *onder andere*, als de Fusie-overeenkomst is beëindigd in overeenstemming met Paragraaf 10.13 (*Beëindiging van de Fusie-overeenkomst*), als de Raden hun Aanbeveling intrekken of wijzigen, of op de uiterlijke datum van 1 april 2018. Het van kracht zijn van de onherroepelijke toezeggingen is geen voorwaarde voor de Bieder om het Bod gestand te doen.

De partijen die de onherroepelijke toezeggingen zijn aangegaan hebben geen informatie ontvangen die niet in het Biedingsbericht is opgenomen en zullen hun Aandelen aanmelden onder dezelfde voorwaarden als de andere Aandeelhouders.

## **10.16 Herstructureringsmaatregelen Na-Overdacht**

Aandeelhouders die voornemens zijn hun Aandelen niet aan te melden onder het Bod, dienen Paragraaf 3.14 (*Post-Settlement Restructuring measures*) en Paragraaf 3.15 (*Consequences of the Offer*) zorgvuldig te bestuderen, aangezien deze paragrafen bepaalde risico's beschrijven waaraan de Aandeelhouders zullen zijn onderworpen als zij er voor kiezen het Bod niet te aanvaarden alsook bepaalde maatregelen die de Bieder kan nemen om haar doel, om 100% van de Aandelen te verkrijgen, te bereiken. Deze risico's vormen een aanvulling op de algemene risico's verbonden aan het houden van door de Vennootschap uitgegeven effecten, zoals de blootstelling aan risico's verbonden aan de onderneming van de Vennootschap en haar dochtermaatschappijen, de markten waarin de Groep actief is, alsook economische trends die van invloed zijn op dergelijke markten, omdat in het algemeen dergelijke bedrijven, markten of trends van tijd tot tijd kunnen veranderen.

De Bieder streeft ernaar om 100% van de Aandelen en/of de Onderneming en de ondernemingsactiviteiten van de Vennootschap te verwerven door middel van het Bod en (indien nodig) andere daaropvolgende herstructureringsstappen. Deze stappen zullen waarschijnlijk aanzienlijke gevolgen hebben voor Aandeelhouders die hun Aandelen niet aanmelden onder het Bod, inclusief de mogelijkheid van een aanzienlijke vertraging in het ontvangen van hun toekomstige opbrengsten. De Bieder heeft nog geen besluit genomen met betrekking tot het uitvoeren van opvolgende herstructureringsstappen, zoals uiteengezet in deze Paragraaf 10.16 (*Herstructureringsmaatregelen Na-Overdracht*), en een dergelijk besluit wordt niet verwacht voordat het Bod gestand wordt gedaan.

### **10.16.1 Uitkoopprocedure**

Het is de intentie van de Bieder om uiteindelijk 100% van de Aandelen of het volledige (juridische en economische) eigendom van de Vennootschap en haar Onderneming te verkrijgen. Indien, na de Dag van Overdracht, de Bieder en de aan haar Gelieerde Ondernemingen alleen of samen met de Vennootschap ten minste 95% (vijfennegentig procent) van de geplaatste en uitstaande Aandelen houden, zal de Bieder een wettelijke uitkoopprocedure beginnen, in overeenstemming met artikel 2:92a of 2:201a van het BW, of een wettelijke uitstootprocedure na openbaar bod, in overeenstemming met artikel 2:359c van het BW, om de Aandeelhouders uit te kopen die hun Aandelen niet hebben aangemeld (de **Uitkoop**). De Vennootschap heeft toegezegd om de Bieder alle medewerking te verlenen

die redelijkerwijs in verband met dergelijke procedures wordt verlangd, waaronder, indien nodig, zich voegen aan de zijde van de Bieder in juridische procedures.

#### 10.16.2 **Belang om 100% van de Aandelen te verwerven**

Met inachtneming van de strategische motivering van het Bod, zoals uiteengezet in Paragraaf 10.5 (*Motivering van het Bod*), heeft de Vennootschap erkend dat de voorwaarden van het Bod gericht zijn op de verwerving van 100% van de Aandelen of de activa en ondernemingsactiviteiten van de Vennootschap. Dit belang is onder andere gebaseerd op:

- (a) het feit dat het hebben van één enkele aandeelhouder en het opereren zonder een beursnotering het vermogen vergroot om de doelstellingen van de Groep te behalen en om de actiepunten van haar strategie te implementeren en de kosten voor de Groep vermindert (zo zullen bijvoorbeeld fysieke aandeelhoudersvergaderingen niet langer nodig zijn en hoeven de Bieder en de Vennootschap niet langer afzonderlijke jaarrekeningen te publiceren);
- (b) de mogelijkheid van de Vennootschap en de Bieder om de beursnotering van de Aandelen aan de Euronext Amsterdam te beëindigen, en alle daaruit resulterende kostenbesparingen;
- (c) de mogelijkheid om een efficiënte kapitaalstructuur te bewerkstelligen (zowel vanuit een financierings perspectief als een fiscaal perspectief, waaronder de mogelijkheid om een fiscale eenheid te vormen tussen de Bieder en de Vennootschap), hetgeen, onder andere, intra-groep transacties en dividenduitkeringen vergemakkelijkt;
- (d) de impact van het hebben van externe aandeelhouders op de beschikbaarheid van, en voorwaarden voor, de financiering van het Bod;
- (e) het vermogen om uitvoering te geven aan, en gericht te zijn op, het behalen van strategische lange termijn doelstellingen van de Vennootschap, in tegenstelling tot korte termijn prestaties gedreven door kwartaalrapportage; en
- (f) als onderdeel van de strategische lange termijn doelstellingen, de mogelijkheid om gericht te kunnen blijven op het nastreven en ondersteunen (door toegang te bieden tot eigen en vreemd vermogen) van de *buy-and-build* acquisitiekansen zodra deze zich voordoen.

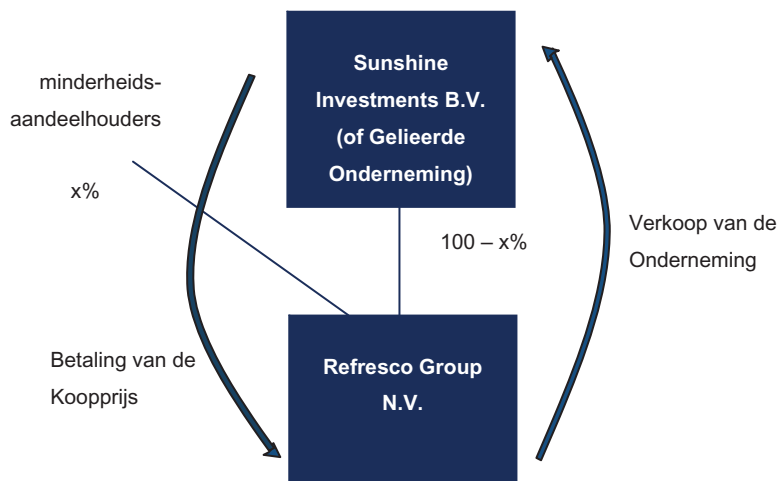
In het licht van het bovenstaande en gezien het feit dat de bereidheid van de Bieder om de Biedprijs te betalen en het Bod voort te zetten is gebaseerd op de verwerving van 100% van de Aandelen, heeft de Vennootschap besloten in te stemmen met de Activa Verkoop en Liquidatie (zoals hieronder gedefinieerd). De Bieder en Refresco zijn een afzonderlijke overeenkomst overeengekomen welke is bijgevoegd bij de Fusie-overeenkomst, waarin de voorwaarden uiteen zijn gezet op grond waarvan de Vennootschap haar gehele onderneming (bestaande uit alle activa en passiva) (de **Onderneming**) zal verkopen en leveren aan de Bieder of een Gelieerde Onderneming van de Bieder (de **Activa Verkoop**) (deze overeenkomst de **Activa Verkoopovereenkomst**), zoals verder uitgelegd in de volgende Paragraaf.

#### 10.16.3 **Activa Verkoop en Liquidatie**

Indien na de Na-Aanmeldingstermijn de Activa Verkoop-Bandbreedte is bereikt en de besluiten over de Activa Verkoop en Liquidatie zijn aangenomen door de BAVA, zal de Vennootschap op verzoek van de Bieder de Activa Verkoopovereenkomst uitvoeren en de Onderneming aan de Bieder of een Gelieerde Onderneming van de Bieder verkopen en

leveren. De Bieder en de Vennootschap zullen onmiddellijk de Activa Verkoop implementeren, zorg dragen voor de betaling van de Tweede Stap Distributie (zoals hieronder gedefinieerd) en de vereffening en ontbinding van de Vennootschap (de **Liquidatie**) uitvoeren. Kort samengevat, zullen de Activa Verkoop en Liquidatie uit de volgende stappen bestaan:

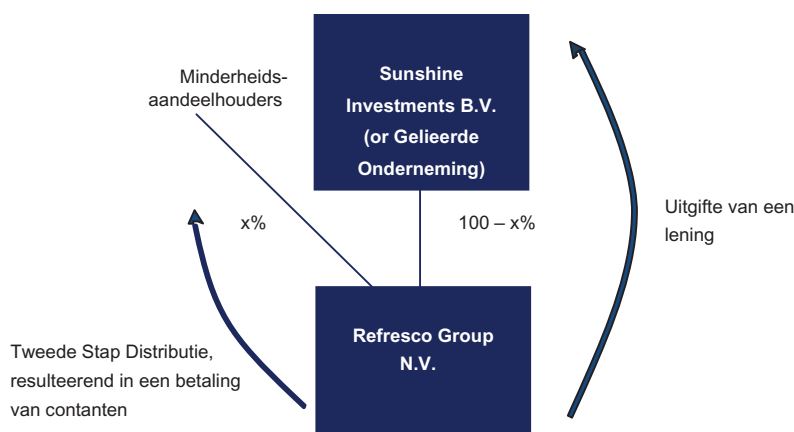
- (a) Onmiddellijk na de Na-Aanmeldingstermijn stellen de Bieder en de Vennootschap het aantal Aandelen vast dat is aangemeld en of het voor de Bieder, volgens de toepasselijke wetgeving, is toegestaan om de Uitkoop te initiëren (*i.e.* als het percentage van Aandelen dat is aangemeld onder het Bod minimaal gelijk is aan 95%). Als het voor de Bieder is toegestaan om de Uitkoop te starten, zal zij dit doen. Indien de Bieder de Uitkoop niet mag initiëren, maar de Activa Verkoop-Bandbreedte is bereikt, dan zal de Bieder de implementatie van de Activa Verkoop en Liquidatie voortzetten en zodoende de Vennootschap verzoeken om de Activa Verkoopovereenkomst uit te voeren en te implementeren, onder de voorwaarde dat de Activa Verkoop en Liquidatie besluiten zijn aangenomen door de BAVA.
- (b) Krachtens de Activa Verkoopovereenkomst wordt de Onderneming overgedragen door de Vennootschap aan de Bieder of een Gelieerde Onderneming van de Bieder, tegen betaling door de Bieder of een dergelijke Gelieerde Onderneming van de Bieder aan de Vennootschap van een bedrag dat gelijk is aan de Biedprijs per Aandeel vermenigvuldigd met het totaal aantal geplaatste en uitstaande aandelen onmiddellijk voorafgaand aan de afronding (de **Koopprijs**). De Bieder zal ervoor zorgen dat de Koopprijs voldoende is om een bedrag te betalen, gelijk aan de Biedprijs, aan de Aandeelhouders per geplaatst en uitstaand Aandeel, zonder rente en na aftrek van dividendbelasting of andere Belasting, indien en voor zover vereist door toepasselijk recht.



- (c) Na uitvoering van de Activa Verkoopovereenkomst zullen alle rechten en verplichtingen van de Vennootschap onder de Fusie-Overeenkomst (inclusief de Niet-Financiële Convenanten) worden toegewezen, overgedragen en van toepassing zijn op de Bieder of diens Gelieerde Onderneming.
- (d) Vervolgens wordt de Vennootschap ontbonden en vereffend in overeenstemming met artikel 2:19 van het BW en verder (de **Vereffening**). De Vereffening van de Vennootschap, inclusief een of meer beoogde uitkeringen bij voorbaat in de zin van artikel 2: 23b(6) van het BW (dergelijke uitkeringen bij voorbaat collectief: de **Tweede Stap Distributie**), zal resulteren in de betaling van een bedrag dat gelijk is aan de Biedprijs per Aandeel, zonder rente en vóór eventuele Belastingen. Alle kosten en

uitgaven die door de Vennootschap worden gemaakt in verband met de Vereffening zijn voor rekening van de Bieder. Met betrekking tot de Tweede Stap Distributie geldt:

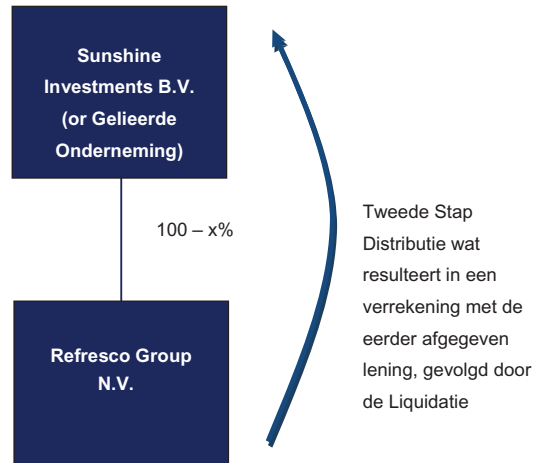
- (i) Aandeelhouders die hun Aandelen niet hebben aangeboden onder het Bod en die nog steeds Aandeelhouders zijn op het moment van de Vereffening, ontvangen een bedrag in contanten dat gelijk is aan de Biedprijs, vermenigvuldigd met het aantal Aandelen gehouden door die Aandeelhouder, zonder rente en vóór eventuele Belastingen; en
- (ii) de verplichting van de Bieder om het resterende deel van de Koopprijs te betalen zal worden verrekend met de Tweede Stap Distributie.



De eventuele Belastingen die aan die Aandeelhouder worden opgelegd, kunnen verschillen van, en hoger zijn dan, de Belastingen die worden opgelegd aan een Aandeelhouder die zijn Aandelen aanmeldt. Dit heeft als gevolg dat als de Activa Verkoop en Liquidatie wordt nagestreefd, het nettobedrag dat zal worden ontvangen door een Aandeelhouder die Aandeelhouder blijft tot en met het tijdstip van de Activa Verkoop en Liquidatie, zal afhangen van de individuele belastingomstandigheden van die Aandeelhouder en het bedrag van enig vereiste Belasting.

- (e) Voor zover de Tweede Stap Distributie is onderworpen aan Belastingen, zal de Vennootschap de vereiste bedragen van de Tweede Stap Distributie inhouden, zoals vereist door toepasselijke wetgeving. Voor zover mogelijk zal de Tweede Stap Distributie worden toegerekend aan het nominaal aandelenkapitaal en de agioreserve en niet aan winstreserve, overeenkomstig de toepasselijke waarderingsgrondslagen.
- (f) Na de Tweede Stap Distributie, zullen de Bieder en de Vennootschap zorg dragen voor de uitschrijving van de Aandelen bij Euronext Amsterdam en doorgaan met de conversie van de Vennootschap van een naamloze vennootschap naar een besloten vennootschap.
- (g) De Vereffenaar zal, zo snel mogelijk en met hulp van de Bieder, de zaken van de Vennootschap liquideren en alle geldige vorderingen van schuldeisers en anderen die vorderingen hebben op de Vennootschap voldoen, geheel in overeenstemming met de toepasselijke wetgeving.

- (h) Zodra de Liquidatie van de Vennootschap is voltooid, houdt de Vennootschap van rechtswege op te bestaan.



#### 10.16.4 Andere Herstructurering Na-Overdracht

Met inachtneming van Hoofdstuk 3.15.1 (*De-listing and liquidity of the Shares*) en met inachtneming van Hoofdstuk 3.14.3 (*Asset Sale and Liquidation*), mag de Bieder na afronding van het Bod en de Na-Aanmeldingstermijn kiezen voor een andere herstructurering van de Groep dan de Activa Verkoop, indien deze alternatieve herstructurering verbeterende operationele, juridische of financiële of belastingstructuur oplevert, een en ander in overeenstemming met de Fusieregels en Nederlands recht, waarvan enkele maatregelen het effect kunnen hebben dat de deelnemingen van overblijvende minderheidsaandeelhouders verwateren (samen met de Uitkoop, Activa Verkoop, inclusief de liquidatie en aanstelling van de Vereffenaar: de **Herstructurering Na-Overdracht**), waaronder:

- (a) een nationale of grensoverschrijdende juridische (driehoeks-) fusie overeenkomstig artike 2:309 en verder BW, tussen de Vennootschap, de Bieder en/of een of meer Gelieerde Ondernemingen van de Bieder;
- (b) een juridische splitsing van de Vennootschap overeenkomstig artikel 2:334a en verder BW;
- (c) de omzetting van de Vennootschap in een besloten vennootschap met beperkte aansprakelijkheid;
- (d) een (opvolgend) openbaar bod op Aandelen gehouden door Aandeelhouders, anders dan de Bieder en/of haar Gelieerde Ondernemingen;
- (e) een inbreng cash en/of activa door de Bieder, of een Gelieerde Onderneming van de Bieder, in ruil voor Aandelen of preferente aandelen in het kapitaal van de Vennootschap in welke geval eventuele voorkeursrechten van andere Aandeelhouders uitgesloten mogen worden;
- (f) een uitkering van de opbrengsten, cash en/of activa aan de Aandeelhouders in de vorm van een distributie uit de vrije reserves, een voorlopig dividend, een slotdividend, een betaling naar aanleiding van een intrekking van Aandelen of, indien de Vennootschap is ontbonden, een vereffeningsuitkering;
- (g) een uitwisseling van alle, of bijna alle, activa van de Vennootschap en/of een Groepsmaatschappij, direct of indirect volgend op de overgang van die activa naar een Groepsmaatschappij;

- (h) de aankoop van Aandelen via de gereguleerde markt;
- (i) iedere intra groep transactie gericht op het optimaliseren van het operationeel functioneren van de Bieder en de Vennootschap en hun respectievelijke Gelieerde Ondernemingen;
- (j) een (opvolgende) ontbinding en vereffening van de Vennootschap;
- (k) enige combinatie van het voorgaande; en
- (l) iedere transactie, herstructurering, aandelenuitgifte, procedure en/of handeling in relatie tot de Vennootschap en/of een of meer van haar Gelieerde Ondernemingen, vereist om de eerdergenoemde doelen te bereiken.

Het staat de Bieder vrij om bovenstaande maatregelen cumulatief of alternatief toe te passen of achterwegen te laten, in overeenstemming met Nederlands recht en de dan geldende Statuten.

#### **10.17 Consultaties**

De betrokken vakbonden en het secretariaat van de Sociaal Economische Raad zijn schriftelijk in kennis gesteld van het Bod in overeenstemming met de Fusieregels.

De Vennootschap heeft voorafgaand aan de Aanmeldingstermijn alle handelingen verricht die redelijkerwijs noodzakelijk zijn om overleg te initiëren en te voeren met haar Ondernemingsraad met betrekking tot het advies van de Ondernemingsraad voor de financiering van de Transacties.

#### **10.18 Aanmeldingstermijn**

De Aanmeldingstermijn vangt aan op 23 januari 2018 om 09:00 uur CET en eindigt, tenzij de Aanmeldingstermijn wordt verlengd overeenkomstig artikel 15 van het Bob, om 17:40 uur CET, op 30 maart 2018.

Indien de Bieder het Bod gestand doet, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de Aanmelding desalniettemin aanvaardt) en die niet eerder zijn teruggetrokken in overeenstemming met de voorwaarden van het Bod en inachtneming van de procedures zoals uiteengezet in Paragraaf 4.2 (*Acceptance of the Offer and Tender*).

#### **10.19 Intrekkingsrechten**

Aandelen aangemeld voorafgaand aan de Sluitingstijd mogen niet worden ingetrokken, behoudens het recht om een Aanmelding in te trekken:

- (a) gedurende een verlenging van de Aanmeldingstermijn in overeenstemming met artikel 15 lid 3 van het Bob;
- (b) na de aankondiging van een verplicht openbaar bod in overeenstemming met artikel 5b lid 5 van het Bob (voor zover dergelijke Aandelen al aangemeld waren voorafgaand aan het moment van de aankondiging en ingetrokken zijn binnen zeven (7) Werkdagen na een dergelijke aankondiging);
- (c) na de indiening van een succesvol verzoek tot vaststelling van een billijke prijs voor een verplicht openbaar bod overeenkomstig artikel 15 lid 8 van het Bob, (zover dergelijke Aandelen al aangemeld waren voorafgaand aan het moment van het verzoek en ingetrokken zijn binnen zeven (7) Werkdagen na de datum van de beslissing tot vaststelling van een dergelijke billijke prijs);



- (d) na een verhoging van de Biedprijs als gevolg waarvan de Biedprijs niet langer enkel bestaat uit een onderdeel in contanten en documentatie hieromtrent algemeen beschikbaar is gesteld in overeenstemming met artikel 15a lid 3 van het Bob (voor zover dergelijke Aandelen al aangemeld waren voorafgaand aan een dergelijk verzoek en ingetrokken zijn binnen zeven (7) Werkdagen nadat een dergelijke documentatie algemeen beschikbaar is gemaakt).

Als de Aanmeldingstermijn wordt verlengd, blijft elk Aandeel dat aangemeld is en niet is ingetrokken aangemeld onder het Bod. Aandelen aangemeld tijdens de verlenging van de Aanmeldingstermijn mogen niet worden ingetrokken, behoudens de bepalingen van artikel 5b lid 5, artikel 15 lid 3 en 8 en artikel 15a lid 3 van het Bob, zoals hierboven beschreven.

#### **10.20 Verlenging van de Aanmeldingstermijn**

De Bieder kan de Aanmeldingstermijn overeenkomstig artikel 15 van het Bob eenmalig tot na de Sluitingsdatum verlengen voor een minimale periode van twee (2) en maximaal tien (10) weken. Een volgende verlenging is alleen toegestaan met de voorafgaande toestemming van de AFM. Indien de Aanmeldingstermijn wordt verlengd, zullen alle verwijzingen in het Biedingsbericht naar de Sluitingsdatum worden verschoven naar de uiterste datum en tijd waarnaar het Bod is verlengd, tenzij uit de context anders blijkt. In het geval er een derde partij een concurrerend bod (*Competing Offer*) heeft gepubliceerd voorafgaand aan de Sluitingstijd, dan mag de Bieder overeenkomstig artikel 15, Paragraaf 5 van het Bob de Aanmeldingstermijn verlengen tot na de Sluitingstijd om deze in overeenstemming te laten zijn met de aanmeldingstermijn van het overtreffende Bod. Echter, zoals toegelicht in Hoofdstuk 4.2 (*Acceptance of the Offer and Tender*), kan een bewaarnemer, bank of effectenmakelaar een vroegere uiterste aanmeldingstermijn voor Aandeelhouders vaststellen teneinde de bewaarnemer, bank of effectenmakelaar in staat te stellen hun acceptaties tijdig aan het Omwisselkantoor te communiceren.

Indien de Aanmeldingstermijn wordt verlengd, zal dit openbaar worden medegedeeld met inachtneming van de Fusieregels. Artikel 15 lid 2 van het Bob vereist dat een dergelijke mededeling uiterlijk op de derde (3<sup>e</sup>) Werkdag na de oorspronkelijke Sluitingsdatum wordt gedaan.

Gedurende een dergelijke verlenging van de Aanmeldingstermijn, zullen de Aandelen die reeds zijn aangemeld en niet zijn ingetrokken, aan het Bod onderworpen blijven. Op grond van artikel 15, lid 3 van het Bob geldt dat Aandelen die op of voor de oorspronkelijke Sluitingstijd zijn aangeboden, gedurende de verlengde Aanmeldingstermijn mogen worden ingetrokken. Bovendien, in overeenstemming met artikel 15a lid 3 van het Bob, kunnen Aandelen die aangeboden zijn binnen zeven (7) Werkdagen na de aankondiging van een verhoging van de Biedprijs worden ingetrokken.

In aanvulling op het voorgaande kan de Aanmeldingstermijn worden verlengd overeenkomstig artikel 15 lid 9 van het Bob als de Biedprijs wordt verhoogd binnen zeven (7) Werkdagen na de Sluitingsdatum, in welk geval de Aanmeldingstermijn krachtens de wet wordt verlengd tot zeven (7) Werkdagen na een dergelijke verhoging van de Biedprijs.

#### **10.21 Gestanddoening van het Bod**

De verplichting van de Bieder om het Bod gestand te doen is onder voorbehoud van vervulling of afstand van de Voorwaarden zoals uiteengezet in Hoofdstuk 10.11 (*Voorwaarden*). Van de Voorwaarden mag afstand worden gedaan, voor zover mogelijk bij wet of overeenkomst, als beschreven in Hoofdstuk 3.9 (*Offer Conditions*). Wanneer de Bieder overeenkomstig Hoofdstuk 10.11 (*Voorwaarden*) afstand wenst te doen van een of meer Voorwaarden, dan zal de Bieder de Aandeelhouders informeren zoals vereist onder de relevante regelgeving.



Tenzij de Aanmeldingstermijn wordt verlengd, zal de Bieder niet later dan drie (3) Werkdagen na de Sluitingsdatum vaststellen of de Voorwaarden zijn vervuld of dat hiervan afstand zal worden gedaan als beschreven in Hoofdstuk 10.11 (*Voorwaarden*), voor zover toegestaan bij wet. Daarnaast zal de Bieder op dat moment aankondigen of (i) het Bod gestand wordt gedaan, (ii) de Aanmeldingstermijn verlengd zal worden in overeenstemming met artikel 15 lid 3 van het Bob, of (iii) het Bod is beëindigd als gevolg van de niet vervulling dan wel afstand van de Voorwaarden, in overeenstemming met Hoofdstuk 10.11 (*Voorwaarden*) en artikel 16 van het Bob.

Indien het Bod gestand is gedaan, zal de Bieder tegen betaling alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de Aanmelding desalniettemin aanvaardt). Het persbericht dat wordt uitgegeven op de Dag van Gestanddoening zal gegevens bevatten over het percentage aangemelde Aandelen, in overeenstemming met het Bob.

## **10.22 Overdracht**

Indien het Bod gestand wordt gedaan, zullen Aandeelhouders die het Bod hebben geaccepteerd en hun Aandelen voor of op de Sluitingsdatum onder het Bod hebben aangemeld de Biedprijs ontvangen op de Dag van Overdracht met betrekking tot elk Aandeel dat op geldige wijze is aangemeld en geleverd (of op ongeldige wijze, indien de Bieder de Aanmelding desalniettemin aanvaardt), vanaf welk moment ontbinding of vernietiging van de Aanmelding en levering door de Aandeelhouder niet is toegestaan.

Toegelaten Instellingen die Aandelen ontvangen van Aandeelhouders die hun Aandelen aanmelden onder het Bod, ontvangen deze Aandelen als bewaarnemer. Op hun beurt zullen de Toegelaten Instellingen die Aandelen schriftelijk aanmelden bij het Omwisselkantoor. Door inschrijving van deze Aandelen verklaren de Toegelaten Instellingen dat zij de Aandelen in bewaring hebben en dat zij tot overdracht van de Aandelen aan de Bieder zullen overgaan voor of uiterlijk op de Dag van Overdracht.

## **10.23 Na-Aanmeldingstermijn**

De Bieder zal, overeenkomstig artikel 17 van het Bob en in overleg met de Vennootschap, binnen drie (3) Werkdagen na de Dag van Gestanddoening, een na-aanmeldingstermijn aankondigen om Aandeelhouders die hun Aandelen niet hebben aangemeld tijdens de Aanmeldingstermijn de mogelijkheid te bieden hun Aandelen alsnog onder het Bod aan te melden onder dezelfde voorwaarden en condities (de **Na-Aanmeldingstermijn**). Een dergelijke Na-Aanmeldingstermijn zal aanvangen op de eerste (1<sup>e</sup>) Werkdag volgend op de aankondiging van de Na-Aanmeldingstermijn en zal niet langer duren dan twee (2) weken. Gedurende de Na-Aanmeldingstermijn zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, mits de Bieder de Aanmelding daarvan desalniettemin aanvaardt) en zal de Bieder binnen vijf (5) Werkdagen na het eindigen van de Na-Aanmeldingstermijn overgaan tot betaling van de Biedprijs per Aandeel. Aandelen die op geldige wijze zijn aangemeld (of op ongeldige wijze, mits de Bieder de Aanmelding en levering daarvan desalniettemin aanvaardt) tijdens de Na-Aanmeldingstermijn kunnen niet worden ingetrokken. De Bieder zal, binnen drie (3) Werkdagen nadat de Na-Aanmeldingstermijn is afgelopen, het aantal en percentage van de Aandelen die zijn aangemeld gedurende de Na-Aanmeldingstermijn bekendmaken, evenals het totale aantal en percentage van de Aandelen die de Bieder bezit nadat de Na-Aanmeldingstermijn is verstreken.

## **10.24 Aanvaarding van het Bod**

Aandeelhouders die Aandelen houden via een Toegelaten Instelling, dienen hun aanvaarding via hun bewaarnemer, bank of effectenmakelaar uiterlijk op 19 maart 2018 om 17:40 CET bekend te maken, tenzij de Aanmeldingstermijn is verlengd overeenkomstig Hoofdstuk 4.7 (*Extension of the Acceptance Period*). De bewaarnemer, bank of effectenmakelaar kan een eerdere uiterste aanmeldingstermijn vaststellen voor Aanmelding door Aandeelhouders zodat deze bewaarnemer, bank of effectenmakelaar voldoende tijd heeft om de Aanmelding door te geven aan het Omwisselkantoor.

De Toegelaten Instellingen kunnen de Aandelen alleen Aanmelden bij het Omwisselkantoor en slechts in schriftelijke vorm. Bij de Aanmelding dienen de Toegelaten Instellingen te verklaren dat (i) zij de aangemelde Aandelen in hun administratie hebben, (ii) elke Aandeelhouder die het Bod aanvaardt onherroepelijk garandeert dat (a) de Aandelen die door hem worden aangeboden, aangeboden worden in overeenstemming met de beperkingen uiteengezet in Hoofdstuk 1 (*Restrictions and important information*), en (b) hij niet onderworpen is, direct of indirect, aan economische of financiële sancties opgelegd of gehandhaafd door de Verenigde Staten, de Europese Unie, een lidstaat daarvan of de Verenigde Naties anders dan enkel het persoonlijk voorkomen in, of eigendom hebben in personen die voorkomen in de Amerikaanse “Sectoral Sanctions Identifications (SSI) List” of in Bijlage III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014, zoals nu geldend, en (iii) zij zich verbinden deze Aandelen vóór of uiteindelijk op de Dag van Overdracht over te dragen aan de Bieder.

Met inachtneming van het Bob, vormt de Aanmelding van Aandelen tot aanvaarding van het Bod onherroepelijke instructies (i) om elke poging om de overdracht van de aangemelde Aandelen te blokkeren, zodat op of voorafgaand aan de Dag van Overdracht geen overdracht van dergelijke aandelen kan worden uitgevoerd (met uitzondering van overdracht aan het Omwisselkantoor op of voor de Dag van Overdracht indien de aandelen zijn aangemeld, of indien herroepingsrechten van toepassing zijn) en (ii) ter debitering van de effectenrekening waarop dergelijke Aandelen worden gehouden op de Dag van Overdracht met betrekking tot alle aangemelde Aandelen, tegen betaling door het Omwisselkantoor van de Biedprijs voor die Aandelen.

## **10.25 Overige gevolgen van het Bod**

Verwezen wordt naar Paragraaf 3.14 (*Post-Settlement Restructuring measures*) en Paragraaf 3.15 (*Consequences of the Offer*) voor mogelijke gevolgen van het Bod, waaronder de mogelijke gevolgen voor (i) de notering van Refresco op Euronext Amsterdam; (ii) de juridische structuur van Refresco en de Groep en (iii) bepaalde maatregelen welke door de Bieder na Overdracht kunnen worden genomen om 100% van de Aandelen te verkrijgen (naast de mogelijke maatregelen die uiteen zijn gezet in Paragraaf 3.14.4 (*Other Post-Settlement Restructuring*)).

## **10.26 Het Consortium en de Vennootschap**

Op grond van artikel 1:1 van de Wft, kwalificeren de Bieder, het PAI Fonds, het bclMC Fonds, PAI en Cubalibre Holdings als een bieder met betrekking tot het Bod.

### **10.26.1 Het Consortium**

Het Consortium bestaat uit de Bieder, en PAI en Cubalibre Holdings die gezamenlijk optreden via de Bieder.

De Bieder is een besloten vennootschap met beperkte aansprakelijkheid, rechtsgeldig opgericht op 29 September 2017 en statutair gevestigd te Amsterdam, kantoorhoudende aan het Prins Bernhardplein 200, 1097 JB Amsterdam en ingeschreven in het Handelsregister onder nummer 69729220.

De raad van bestuur van de Bieder bestaat uit de heer N.G.A. Brugère (als bestuurder A) en mevrouw S.V.C. Hoogstrate – Roëll (als bestuurder B), beide benoemd op 29 september 2017. Beide bestuurders hebben geen aandelen in het kapitaal van de Bieder. De Bieder heeft geen raad van commissarissen.

PAI is een besloten vennootschap (*Société par actions simplifiée*), rechtsgeldig opgericht op naar Frans recht, statutair gevestigd te Parijs, kantoorhoudende aan 232, Rue de Rivoli, 75001 Parijs, Frankrijk, geregistreerd onder handelsnummer 443 837 331 RCS Paris.

De raad van bestuur van PAI bestaat uit Michel Paris (voorzitter) en Frédéric Stévenin (besturend directeur). De volledige bestuurscommissie bestaat uit:

- Michel Paris
- Frédéric Stévenin
- Raffaele Vitale
- Ricardo de Serdio
- Mirko Meyer-Schönherr
- Nicolas Holzman
- Richard Howell

Cubalibre Holdings is een vennootschap (*corporation*), rechtsgeldig opgericht naar Canadees recht, statutair gevestigd te Canada, kantoorhoudende op 300-2950 Jutland Road, Victoria, British Columbia, Canada, geregistreerd onder handelsnummer 788451110RC0001. De enige aandeelhouder van Cubalibre Holdings is bcIMC.

De enige bestuurder van Cubalibre Holdings is Jim Pittman.

#### 10.26.2 De Vennootschap

De Vennootschap is een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Rotterdam, gevestigd te Fascination Boulevard 270 (3065 WB) Rotterdam, Nederland en ingeschreven bij het Handelsregister onder nummer 24395416.

De raad van bestuur van de Vennootschap bestaat uit Hans Roelofs (algemeen directeur, *CEO*) Aart Duijzer (financieel directeur, *CFO*) en Vincent Delozière (operationeel directeur Europa, *COO Europe*).

#### 10.27 Aankondigingen

Aankondigingen in verband met het Bod, inclusief aankondigingen in verband met een verlenging van het Bod tot na de Sluitingstijd, worden door middel van een persbericht gedaan en worden tevens beschikbaar gesteld op de website van Refresco op [www.refresco.com](http://www.refresco.com) (investors sectie) en namens de Bieder op de website van PAI op [www.paipartners.com](http://www.paipartners.com) (media sectie) en de bcIMC groep op [www.bcimc.com](http://www.bcimc.com) (newsroom sectie). Onder voorbehoud van de wettelijke vereisten op grond van de toepasselijke regelgeving en zonder afbreuk te doen aan de manier waarop de Bieder een publieke aankondiging wenst te doen, zal op de Bieder geen enkele verplichting rusten om een publieke aankondiging te doen anders dan hierboven beschreven.

#### 10.28 Indicatief tijdschema

Onderstaand tijdschema is indicatief. Alle tijden zijn CET.

Verwachte datum en tijd	Gebeurtenis
22 januari 2018 (=X)	Publicatie van het persbericht met betrekking tot de verkrijgbaarstelling van het Biedingsbericht en de aanvang van het Bod.

22 januari 2018 (=X)	Oproeping voor de BAVA.
9:00 uur, 23 januari 2018 (X + 1 Werkdag)	Aanvang van de Aanmeldingstermijn onder het Bod overeenkomstig artikel 14 van het Bob.
14:00 uur, 5 maart 2018 (X + 6 weken)	De BAVA, waarop onder andere het Bod zal worden besproken overeenkomstig artikel 18 lid 1 van het Bob. Bovendien worden bepaalde Besluiten voorgelegd aan de BAVA in verband met het Bod.
17:40 uur, 19 maart 2018 (X + 8 weken), afhankelijk van verlenging	<i>Sluitingstijd</i> Uiterste tijdstip waarop Aandeelhouders hun Aandelen onder het Bod kunnen aanmelden, tenzij het Bod wordt verlengd overeenkomstig artikel 15 van het Bob.
Uiterlijk 22 maart 2018 (niet later dan drie (3) Werkdagen na de Sluitingsdatum)	<i>Dag van Gestanddoening</i> De dag waarop de Bieder, overeenkomstig artikel 15 en 16 van het Bob, aankondigt dat: <ul style="list-style-type: none"> <li>• het bod gestand wordt gedaan;</li> <li>• het Bod wordt verlengd; of</li> <li>• het bod niet gestand wordt gedaan omdat aan een of meer Voorwaarden niet is voldaan en geen afstand is gedaan van deze Voorwaarde.</li> </ul>
Terstond volgend op de Dag van Gestanddoening	<i>Aanvang van de Na-Aanmeldingstermijn</i> Na-Aanmeldingstermijn: de Bieder kan een Na- Aanmeldingstermijn aankondigen voor het Bod met een maximale duur van twee (2) weken opdat de Aandeelhouders die hun Aandelen niet hebben aangemeld gedurende de Aanmeldingstermijn, hun Aandelen kunnen aanmelden onder dezelfde voorwaarden die voor het Bod gelden.
Uiterlijk 29 maart 2018 (verwacht binnen vijf (5) Werkdagen na de Dag van Gestanddoening (tenzij onvoorziene omstandigheden zich voordoen)	<i>Dag van Overdracht</i> De datum waarop, in overeenstemming met de voorwaarden van het Bod, de Bieder zal overgaan tot betaling aan het Omwisselkantoor van de Biedprijs per Aandeel, ten behoeve van de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de Aanmelding en levering daarvan desalniettemin aanvaardt) en geleverd onder het Bod welke datum naar verwachting binnen vijf (5) Werkdagen na de Dag van Gestanddoening is, mits het Bod gestand is gedaan.

## **10.29 Verkrijgbaarstelling van informatie**

Digitale exemplaren van het Biedingsbericht zijn verkrijgbaar op de website van Refresco op [www.refresco.com](http://www.refresco.com) (investors sectie) en namens de Bieder op de website van PAI op [www.paipartners.com](http://www.paipartners.com) (media sectie) en de bcIMC groep op [www.bcimc.com](http://www.bcimc.com) (newsroom sectie). Deze websites maken op geen enkele wijze deel uit van het Biedingsbericht. Exemplaren van het Biedingsbericht zijn verder kosteloos verkrijgbaar op het hoofdkantoor van het Omwisselkantoor.

Een digitaal exemplaar van de Statuten van Refresco zoals laatst gewijzigd op 13 mei 2016 is verkrijgbaar op de website van Refresco op [www.refresco.com](http://www.refresco.com)

## 11 ADVISORS

Advisors to the Offeror and the Consortium:

Legal advisor

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**Loyens & Loeff N.V.**

Fred. Roeskestraat 100  
1076 ED Amsterdam  
The Netherlands

Financial advisors

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**Credit Suisse International**

1 Cabot Square  
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**Rothschild & Co**

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Legal advisor to bcIMC and bcIMC Fund:

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Strawinskylaan 10  
1077 XZ Amsterdam  
The Netherlands

Advisors to the Company:

Legal advisor

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**Allen & Overy LLP**

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1077 AB Amsterdam  
The Netherlands

Financial advisors

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**J.P. Morgan Securities PLC**

25 Bank Street  
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United Kingdom

**Coöperatieve Rabobank U.A.**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands



Press release

## Refresco rejects PAI's unsolicited non-binding proposal

**Rotterdam, the Netherlands, 12 April 2017** - Refresco Group N.V. (Euronext Amsterdam: RFRG) has taken notice of the rumours in the market on a proposal by PAI Partners SAS (PAI). Refresco confirms that it received an unsolicited, indicative and conditional proposal from PAI on 6 April 2017 regarding a possible offer to acquire all 81.2 million issued shares in the company at an aggregate cash consideration of EUR 1,404 million.

The Executive Board and the Supervisory Board (together, the "Boards") of Refresco have, in line with their fiduciary duty, reviewed the proposal, taking into account the interests of all Refresco's stakeholders.

Refresco has informed PAI that the proposed terms and conditions did not merit any further investigation and have accordingly rejected the proposal.

### For further information, please contact:

Investor relations

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### About Refresco Group N.V.

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.





## Press release

*This press release is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. Refresco Shareholders are advised to read the shareholders circular published by Refresco today. This communication is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, any jurisdiction in which such release, publication or distribution would be unlawful.*

## 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)<sup>11</sup>
  - 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

<sup>11</sup> 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 billion<sup>12</sup>), 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

<sup>12</sup> At USD/EUR rate of 1.14. Subject to final adjustments at closing.



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 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

### For more information, please contact:

Analysts and investors:	Press:
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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.



## Refresco receives renewed interest from PAI

**Rotterdam, the Netherlands, 3 October, 2017** - Refresco Group N.V. (Euronext Amsterdam: RFRG) announces it has received a new unsolicited, indicative and conditional proposal from PAI Partners SAS (PAI) on 3 October 2017. It regards a possible offer to acquire all 81.2 million issued shares in the company for EUR 19.75 per share, representing an aggregate cash consideration of EUR 1.6 billion. The offer includes Cott's bottling activities, Refresco's latest acquisition which is expected to see completion before year-end. The offer is subject to a number of conditions.

The Executive Board and the Supervisory Board of Refresco are, in line with their fiduciary duty, carefully reviewing the proposal, taking into account the interests of all Refresco's stakeholders. Further announcements will be made if and when required.

### For further information, please contact:

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[investor.relations@refresco.com](mailto:investor.relations@refresco.com)

### About Refresco Group N.V.

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.



## Refresco enters into negotiations with PAI

**Rotterdam, the Netherlands, 18 October 2017** - With reference to the press release dated 3 October 2017, Refresco Group N.V. (Euronext Amsterdam: RFRG) today announces it has entered into negotiations with PAI Partners SAS (PAI).

On 3 October, Refresco received an unsolicited, indicative and conditional proposal from PAI, which was carefully reviewed by the Executive Board and the Supervisory Board in line with their fiduciary duties. Since, interaction has taken place with PAI on a number of topics, including the financial and non-financial conditions. Following this interaction, the company has now entered into negotiations with PAI.

The Boards will take the interest of all stakeholders into account, and will continue to focus on the closing of the transformational acquisition of Cott's bottling activities.

Further announcements will be made if and when required.

### For further information, please contact:

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### About Refresco Group N.V.

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.



*This is a joint press release by Refresco Group N.V. (“Refresco” or the “Company”), PAI Partners SAS (“PAI”) and British Columbia Investment Management Corporation (“bcIMC”) acting jointly through Sunshine Investments B.V. (the “Offeror” or the “Consortium”), pursuant to the provisions of Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft, (the “Decree”) in connection with the intended public offer by the Offeror for all the issued and outstanding ordinary shares in the capital of Refresco (the “Shares”). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Refresco. Any offer will be made only by means of an offer memorandum (the “Offer Memorandum”) approved by the AFM. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States.*

## **Refresco and a consortium of PAI and bcIMC agree on a recommended cash public offer of EUR 20 per share for all shares of Refresco**

**Paris, France / Victoria, British Columbia, Canada / Rotterdam, the Netherlands – 25 October 2017**

- A Consortium of PAI Partners SAS (“PAI”) and British Columbia Investment Management Corporation (“bcIMC”) to make a recommended offer of EUR 20 (cum dividend) in cash per ordinary share of Refresco (the “Offer Price”) for a consideration of EUR 1.623 billion
- The Offer Price represents:
  - a premium of approximately 22% to the average Refresco closing share price of EUR 16.37 since the announcement of the acquisition of Cott’s bottling activities (“Cott TB”) on 25 July 2017 (the “Average Share Price”)<sup>13</sup>;
  - a premium of approximately 41% to the Refresco closing share price of EUR 14.21 on 5 April 2017 (the “April Share Price”)<sup>14</sup>; and
  - an Enterprise Value to EBITDA multiple of approximately 8.5x post Cott TB synergies for the twelve-month period ending 30 June 2017<sup>15</sup>
- The Consortium fully supports Refresco’s buy-and-build strategy going forward, including the completion of the Cott TB acquisition
- Major shareholders and shareholding members of the Boards, holding in aggregate 26.5% of the total issued and outstanding shares, have committed to tender all their shares
- The Consortium has committed financing in place, providing high deal certainty
- Refresco’s Executive Board and Supervisory Board fully support and unanimously recommend the offer

With reference to the press releases of Refresco Group N.V. on 3 October 2017 and 17 October 2017, PAI, bcIMC and Refresco today jointly announce that they have reached conditional agreement on a recommended, fully funded, public offer by a consortium of PAI and bcIMC, acting jointly through Sunshine Investments B.V. (“the Offeror” or the “Consortium”) for all the issued and outstanding ordinary shares of Refresco (the “Shares”) at an offer price of EUR 20 (cum dividend) in cash per Share (the “Offer”).

The Offer Price represents a premium of approximately 22% to the Average Share Price, a premium of approximately 41% to the April Share Price, and a premium of approximately 38% to the Refresco IPO price.

<sup>13</sup> Average share price for period from 25 July 2017 up to and including 2 October 2017, the date prior to Refresco’s public announcement of PAI and bcIMC’s renewed interest in a take private transaction.

<sup>14</sup> Share price prior to PAI’s proposal of 6 April 2017 and subsequent public announcement made by Refresco, adjusted for the FY2016 dividend of EUR 0.38 per share paid on 6 June 2017.

<sup>15</sup> Pro forma for the Cott TB acquisition including full run-rate synergies of EUR 47 million.





The Offer Price values 100% of the Shares at EUR 1.623 billion and equates to an Enterprise Value of approximately EUR 3.3 billion, which implies an EBITDA multiple of 8.5x post Cott TB synergies for the twelve-month period ending 30 June 2017. The Offer provides Refresco's shareholders with a fair price for their Shares including an attractive premium. The Consortium has fully committed financing in place on a "certain funds" basis and has completed its due diligence, providing high deal certainty and facilitating a swift and efficient transaction process to completion.

**Hans Roelofs, CEO of Refresco:** "This Offer represents a fair value for our shareholders and is yet another milestone for the Company. The Consortium fully supports our strategy and with its track record, financial strength and understanding of our business, they can support the Company whilst we accelerate our growth plan going forward.

Obtaining a public listing in 2015 was a well-considered decision and it has brought the Company many opportunities. However, we have also grown and prospered under private equity ownership. Our ownership structure is never a goal in itself. Rather, our focus remains on being in an environment that allows us to continue executing our proven strategy of buy-and-build.

The first time PAI approached us was prior to our public listing in 2015. They have always been impressed by our business and performance, and the agreement reached today reflects the important steps Refresco has realised since the IPO. Our latest acquisition of Cott TB, creating the world's largest independent bottler with leadership positions across Europe and North America, is a truly transformational acquisition right at the heart of our buy-and-build strategy.

We are convinced that this is a good transaction for the Company and all stakeholders involved and we therefore recommend our shareholders to accept the Offer. Our focus of growing alongside our customers in the markets where we currently operate and expanding geographically remains unchanged. I look forward to this new phase of private ownership, and for all our employees and customers to capitalize on the opportunities ahead of us."

**Frédéric Stévenin, Managing Partner, PAI:** "Refresco is a high-quality business and an attractive consolidation platform in the beverage industry which we intend to fully support using PAI's wealth of experience in the European food and beverage industry. We share the Refresco management team's overall vision for the group and we are excited by the opportunity to work with them and the team at bcIMC to realise its potential."

**Jim Pittman, Senior Vice President, Private Equity at bcIMC:** "bcIMC has followed Refresco with interest for several years. We feel its scale, global presence, and track record of growth are a good fit for our clients' portfolios. We are keen to work with PAI, a long-term strategic partner, to support Refresco and management in the execution of its strategic plans over the coming years."

#### Process and strategic rationale

In April of this year, Refresco announced that it was approached by PAI with a proposal for the acquisition of 100% of its shares for a consideration of EUR 1.4 billion. The Executive Board and the Supervisory Board (together the "Boards") did not object to the strategic proposition of a take-private transaction, in particular, as PAI's interest was principally based on Refresco's successful buy-and-build strategy, which represented the most important condition for the Boards in considering any proposal. However, at that time, the Boards were of the opinion that the proposed terms and conditions did not reflect the value creation potential stemming from the intended acquisition of Cott TB. Refresco signed the acquisition agreement for Cott TB in July, which is intended to transform Refresco from a pan-European player into the world's largest independent bottler with leadership positions across Europe and North America, annual turnover of EUR 3.6 billion and 59 production sites with combined production volumes of approximately 12 billion litres.

Over the past few months, there have been various interactions between Refresco and the Consortium. Since early August, the Consortium, as well as other parties, liaised with Refresco in relation to the equity



raise that was planned as part of the financing of the Cott TB acquisition. This process confirmed and strengthened the Consortium's interest in the Company, its operations and its management team. As a result, the Consortium submitted a revised offer on 3 October 2017 of EUR 19.75 per Share in cash (representing a consideration of EUR 1.6 billion), reflecting the progress and developments at Refresco since April.

After due and careful consideration, and interaction on a number of topics, including financial and non-financial conditions, Refresco entered into detailed negotiations with the Consortium. Throughout the process, the Boards of Refresco have met regularly to discuss developments of the process and make key decisions. The Boards of Refresco have received financial and legal advice and have given careful consideration to the strategic, financial and social aspects and consequences of the proposed transaction. On 24 October 2017, the parties reached conditional agreement on a final offer of EUR 20 (cum dividend) in cash per Share and including other terms and conditions that were acceptable to the Company.

The Consortium intends to fully support Refresco management's existing buy-and-build strategy and would seek to provide access to its extensive network and relationships across the consumer goods sector globally for the Company's benefit. The Consortium also intends to provide access to capital for the Company to accelerate its buy-and-build strategy, both in Europe and North America. The Consortium believes that the Company will play a prominent role in the consolidation and outsourcing trends of the beverage industry in Europe, North America and worldwide.

The Boards are of the opinion that the Offer Price fully reflects the value creation potential of the Company, including the recent Cott TB acquisition. Accepting the Offer now allows Refresco's shareholders to realise the value potential immediately instead of over time, whilst eliminating the associated execution risk. Furthermore, it prevents the anticipated dilution from the equity issuance of EUR 200 million that was planned in connection with the financing of the acquisition of Cott TB. The Boards of Refresco believe that the Offer represents a fair price to the Refresco shareholders and is in the best interests of Refresco and all of its stakeholders.

#### Irrevocables and recommendation

Refresco's major shareholders (Ferskur, 3i and Tamoia) and the shareholding members of the Boards, representing together 26.5% of the issued and outstanding ordinary shares, have entered into irrevocable undertakings to, subject to customary conditions, tender their Shares if the Offer is launched. The members of the Executive Board will reinvest a part of the proceeds of their tendered Shares in Refresco after the Offer.

In accordance with the applicable public offer rules, any information shared with these major shareholders about the Offer shall, if not published prior to the Offer Memorandum being made generally available, be included in the Offer Memorandum in respect of the Offer (if and when issued) and these major shareholders will tender their Shares on the same terms and conditions as the other shareholders.

In reaching its recommendation, the Boards have explicitly taken into account the interests of all stakeholders. The Offer provides high deal certainty, as the Consortium has completed its due diligence and has fully committed financing in place on a "certain funds" basis. This should also allow for swift execution, eliminating uncertainty and unnecessary distraction for the Company. The Consortium will support the Company in the execution of its successful buy-and-build strategy and is able to provide Refresco with expertise and access to capital in support of continued capital expenditures, investments and acquisitions. The Consortium will maintain the current company structure, headquarters, management and employee commitments. PAI and bcIMC respect Refresco's culture of excellence, which requires highly talented employees and they also fully support the Company's commitment to its customers.

J.P. Morgan Securities plc has issued a fairness opinion to the Executive Board and Supervisory Board of Refresco and Rabobank has issued a fairness opinion to the Supervisory Board of Refresco.

Taking all these considerations into account, both the Executive Board and the Supervisory Board fully support and unanimously recommend to Refresco shareholders to tender their Shares under the Offer, if and when made.



### Financing of the Offer

The Offer Price values 100% of the Shares at EUR 1.623 billion. The Consortium shall finance the Offer through a combination of equity funding and third party debt financing. As such, the Offeror has received binding equity commitment letters from funds managed, controlled and/or advised by both PAI and bcIMC, for an aggregate amount of EUR 1.0 billion, which are fully committed (the “Equity Financing”). In addition, the Offeror has entered into binding debt commitment papers with a consortium of reputable banks for debt financing for an aggregate amount of approximately EUR 2.4 billion of term debt, which is fully committed on a “certain funds” basis (the “Debt Financing”). The Consortium has no reason to believe that any conditions to the Equity Financing or the Debt Financing will not be fulfilled on or prior to the settlement date of the Offer.

From the arranged Equity Financing and the Debt Financing, the Offeror will be able to fund the acquisition of the Shares under the Offer, the refinancing of Refresco’s existing debt (including the refinancing of the debt associated with the Cott TB acquisition) and the payment of fees and expenses related to the Offer.

### Next steps

Refresco and the Consortium will seek to obtain all necessary approvals and competition clearances as soon as practical.

The Consortium intends to publish the Offer Memorandum and launch the Offer in December 2017.

Refresco will hold an Extraordinary General Meeting of Shareholders (“EGM”) at the latest six business days before closing of the Offer period. Based on the required steps and subject to the necessary approvals, the Consortium and Refresco anticipate that the Offer will close in Q1 2018.

### Advisors

J.P. Morgan Securities plc is acting as financial advisor to Refresco and Allen & Overy LLP is acting as legal advisor to Refresco. Rabobank is acting as independent financial advisor to Refresco’s Supervisory Board.

Rothschild and Credit Suisse are acting as financial advisors to the Consortium. Loyens & Loeff N.V. is acting as legal advisor to the Consortium and Freshfields Bruckhaus Deringer LLP is acting as legal advisor to bcIMC.

### Media call

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

Netherlands: +31 (0) 20 721 9251  
UK: +44 (0)330 336 9105  
USA: +1 323-794-2551  
Conference ID: 1072524

### Analyst call

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

Netherlands: +31 (0) 20 721 9251  
UK: +44 (0)330 336 9105  
USA: +1 323-794-2093  
Conference ID: 6909180

### - Annex: further details on the merger protocol

## Annex: further details on the merger protocol

### Key aspects of the Offer

- The Offer is subject to a minimal acceptance level of 95%, which will be reduced to 80% if Refresco's shareholders meeting adopts the resolutions allowing for an asset sale and liquidation.
- The Offer is subject to the Cott TB purchase agreement not being terminated.
- The Consortium will pursue statutory squeeze out proceedings if 95% or more of the shares are tendered under the Offer.
- The Consortium and Refresco have agreed to certain non-financial covenants with regard to strategy, governance, employees, headquarter locations and other matters customary for this type of transaction.
- The Consortium intends to promptly de-list Refresco's shares from Euronext Amsterdam.
- The Consortium and Refresco have agreed to customary exclusivity provisions.

### Corporate governance, management and employees

Following settlement of the Offer, the Company's Supervisory Board will comprise six members, of which four new members will be nominated by the Offeror. The two continuing members of the Supervisory Board will be independent, as defined in the Dutch Corporate Governance Code.

The current members of Refresco's Executive Board shall, upon settlement of the Offer, continue to serve on the Executive Board.

The existing rights and benefits of the employees of Refresco will be respected by the Consortium, including rights and benefits under individual employment agreements, collective labor agreements, social plans and covenants made to the works council and trade unions. Furthermore, the Consortium does not envisage material reductions of the total workforce as a direct consequence of the Offer and will ensure that the culture of excellence is fostered and that qualified employees will be offered attractive training and national and international career progression based on available opportunities.

### Non-financial covenants

The Consortium has provided certain non-financial covenants with regard to Refresco's strategy, governance, employees and retention matters, as well as other matters. These non-financial covenants will apply for three years following completion of the Offer.

The Consortium will ensure that Refresco's structure of the Group remains unchanged, including the name of Refresco and the location of its headquarters. The Consortium fully supports Refresco's buy-and-build strategy and acknowledges that Refresco may require additional capital in order to pursue acquisitions as part of its buy-and-build strategy. As such, the Consortium will consider providing additional equity capital in order to finance such add-on acquisitions. In addition, the Consortium acknowledges the importance of research and development for the business of Refresco and shall allow Refresco to keep investing therein.

### Acquisition of 100%

The Consortium's willingness to pay the Offer Price is predicated on the acquisition of 100% of Refresco's shares. If the Consortium acquires less than 95% but at least 80% of the Shares, the Consortium intends to acquire the entire business of Refresco at the same price as the Offer Price pursuant to an asset sale, combined with a liquidation of the Company, to deliver such consideration to the remaining Refresco shareholders (the "Asset Sale and Liquidation"). The Asset Sale and Liquidation is subject to the approval of Refresco's EGM. The Boards have agreed to unanimously recommend to the shareholders to vote in favour of the Asset Sale and Liquidation. Following completion of the Offer, the Consortium may utilise all other available legal measures in order to acquire full ownership of Refresco's outstanding Shares and/ or its business in accordance with the terms of the merger protocol.

### Pre-Offer and Offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of the following Pre-Offer conditions:

- a. no material breach of the merger protocol having occurred;
- b. the Cott TB purchase agreement not being terminated;
- c. no material adverse effect having occurred;
- d. no revocation or amendment of the recommendation by the Boards;
- e. resignations of certain Supervisory Board members;
- f. no governmental or court order which restrains, prohibits or delays the making or consummation of the Offer;
- g. no Offer condition has become permanently incapable of satisfaction and not having been waived;
- h. trading in Refresco's shares not having been suspended or ended as a result of a listing measure;
- i. no notification having been received from the Financial Markets ("AFM") stating that pursuant to Article 5:80 Paragraph 2 of the Dutch financial supervision act (Wet op het financieel toezicht, "Wft") investment firms shall not be allowed to cooperate with the Offer;
- j. the AFM having approved the Offer Memorandum; and
- k. the merger protocol not having been terminated.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following Offer conditions:

- a. minimum acceptance level of at least 95% of Shares, which will be reduced to 80% in the event shareholder resolutions allowing an Asset Sale and Liquidation are passed at the EGM;
- b. no material breach of the merger protocol having occurred;
- c. no material adverse effect having occurred;
- d. completion of the Cott TB acquisition;
- e. no revocation or amendment of the recommendation by the Boards;
- f. no governmental or court order which restrains, prohibits or delays the making or consummation of the Offer;
- g. competition clearances having been obtained;
- h. trading in Refresco's shares not having been suspended or ended as a result of a listing measure;
- i. no notification having been received from the AFM stating that pursuant to Article 5:80 Paragraph 2 of the Wft investment firms shall not be allowed to cooperate with the Offer; and
- j. the merger protocol not having been terminated.

The condition under a. may be waived down to 75% regardless of whether the resolutions on the Asset Sale and Liquidation are adopted, but only with the prior written consent of the Boards. The other conditions may be waived by the interested party or parties.

On termination of the merger protocol by the Consortium in case of a Competing Offer (as described below), Refresco will forfeit a termination fee to the Consortium that is equal to 1% of the equity value of Refresco as represented by the Offer Price.

### Exclusivity

Refresco and the Consortium may terminate the merger protocol in the event that a bona fide third party makes an offer which, in the reasonable opinion of the Executive Board and the Supervisory Board is a substantially more beneficial offer than the Offer of the Consortium taking into account the overall terms and conditions of the offers and the track record and identity of the Consortium compared to such third party, provided that the competing offer: (i) exceeds the Offer Price by at least 7.5%; (ii) is launched or is binding on the offeror; and (iii) is not subject to a financing condition (a "Competing Offer"). In the event of a Competing Offer, the Consortium will be given the opportunity to match such offer, in which case the merger protocol may not be terminated by Refresco. As part of the agreement, Refresco has entered into customary undertakings not to solicit third party offers.

### Indicative timetable

The Consortium and Refresco will seek to obtain all necessary approvals and competition clearances as soon as practicable. It is the Consortium's intention to submit a request for approval of its Offer



Memorandum document to the AFM within six weeks from today and to publish the Offer Memorandum shortly after approval by the AFM, in accordance with the applicable statutory timetable.

Refresco will hold the EGM at least six business days before closing of the Offer period in accordance with Section 18 Paragraph 1 of the Decree to inform the Refresco shareholders about the Offer. The Refresco shareholders shall be requested to, subject to the Offer being declared unconditional: (i) resolve on amendment of Refresco's Articles of Association; (ii) accept the resignation of the resigning members of the Supervisory Board, provide discharge to each member of the Supervisory Board and appoint the new members to the Supervisory Board; and (iii) approve the Asset Sale and Liquidation of Refresco.

A position statement providing further information to the Refresco shareholders in accordance with Article 18, Paragraph 2 of the Decree shall be timely made available by Refresco. Based on the required steps and subject to the necessary approvals, the Consortium and Refresco anticipate that the Offer will close in Q1 2018.

#### Other

The information in this press release is not intended to be complete. For further information explicit reference is made to the Offer Memorandum, which is expected to be published later this year or in the beginning of 2018. The Offer Memorandum will contain further details regarding the Offer.

#### General restrictions

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, the Consortium and Refresco disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither the Consortium, nor Refresco, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Refresco shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Japan, Australia or the United States.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or the solicitation of an offer to buy or acquire the securities of Refresco in any jurisdiction.

#### Forward looking statements

Certain statements in this press release may be considered "forward-looking statements," such as statements relating to the impact of this transaction on the Consortium and Refresco. Forward-looking statements include those preceded by, followed by or that include the words "anticipated," "expected" or similar expressions. These forward-looking statements speak only as of the date of this release. Although the Consortium and Refresco believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these forward-looking statements will prove to be correct. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward looking statements. Potential risks and uncertainties include, but are not limited to, receipt of regulatory approvals without unexpected delays or conditions, the Consortium's ability to achieve the anticipated results from the acquisition of Refresco, the effects of competition (in particular the response to the transaction in the marketplace), economic conditions in the global markets in which the Consortium and Refresco operate, and other factors that can be found in the Consortium's and Refresco press releases and public filings.

Neither the Consortium nor Refresco, nor any of their advisors, accepts any responsibility for any financial information contained in this press release relating to the business, results of operations or financial





condition of the other or their respective groups. Each of the Consortium and Refresco expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

#### Financial calendar 2017

Publication of Q3 2017 results

9 November 2017

#### For more information, please contact:

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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 realised in 2016 full year volumes and revenue of circa 6.5 billion litres 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. [www.refresco.com](http://www.refresco.com)

#### About PAI Partners

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages €8.3 billion of dedicated buyout funds. Since 1994, the company has completed 61 transactions in 11 countries, representing c. €41 billion in transaction value. PAI is characterised by its industrial approach to ownership combined with its sector-based organisation. They provide the companies they own with the financial and strategic support required to pursue their development and enhance strategic value creation. [www.paipartners.com](http://www.paipartners.com)

#### About bcIMC

With C\$135.5 billion of managed net assets, British Columbia Investment Management Corporation (bcIMC) is one of Canada's largest institutional investors within the global capital markets. Based in Victoria, British Columbia, bcIMC is a long-term investor that invests in all major asset classes including private equity. bcIMC's clients include public sector pension plans, public trusts, and insurance funds. [www.bcimc.com](http://www.bcimc.com)

#### 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.





*This is a joint press release by Refresco Group N.V. ("Refresco" or the "Company"), PAI Partners SAS ("PAI") and British Columbia Investment Management Corporation ("bcIMC") acting jointly through Sunshine Investments B.V. (the "Offeror" or the "Consortium"), pursuant to the provisions of Section 7, paragraph 1 sub a of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft, the "Decree") in connection with the intended public offer by the Offeror for all the issued and outstanding ordinary shares in the capital of Refresco (the "Shares"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Refresco. Any offer will be made only by means of an offer memorandum (the "Offer Memorandum") approved by the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, "AFM"). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Japan, Australia or the United States.*

## Refresco and a consortium of PAI and bcIMC anticipate offer launch in January 2018

**Paris, France / Victoria, British Columbia, Canada / Rotterdam, the Netherlands – 21 November 2017.**

On 25 October 2017, the Consortium and Refresco issued a joined press release in respect of the conditional agreement on a recommended, fully funded, public offer by the Consortium for all the issued and outstanding ordinary shares of Refresco at an offer price of EUR 20 (cum dividend) in cash per Share.

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, which require a public announcement containing a status update within four weeks following the announcement of an intended public offer, the Offeror and Refresco provide the following joint status update.

The Offeror and Refresco confirm they are making timely progress on the preparations for the Offer. The Offeror expects to submit a request for review and approval of the Offer Memorandum with the AFM ultimately on 8 December 2017. The Offeror will publicly announce the availability of the Offer Memorandum and commencement of the offer period, which is currently expected to commence in January 2018.

**For more information, please contact:**

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DGM: Hugues Schmitt +33 1 40 70 11 89	

### About Refresco

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#### General restrictions

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## **13 SELECTED CONSOLIDATED FINANCIAL INFORMATION REFRESCO**

### **13.1 Basis for preparation**

In accordance with the Takeover Decree, selected consolidated financial information of Refresco has been prepared and included in this Section 13 (*Selected Consolidated Financial Information Refresco*), comprising summaries of the consolidated balance sheets, the consolidated income statements, the consolidated statements of other comprehensive income and the consolidated statements of cash flows for the financial years 2014, 2015 and 2016.

The selected consolidated financial information for the financial year 2014 has been derived from the consolidated financial statements for the financial year 2014 as audited by EY, which issued an independent auditor's report thereon, without qualification, on 19 February 2015.

The selected consolidated financial information for the financial year 2015 has been derived from the consolidated financial statements for the financial year 2015 as audited by EY, which issued an independent auditor's report thereon, without qualification, on 9 March 2016.

The selected consolidated financial information for the financial year 2016 has been derived from the consolidated financial statements for the financial year 2016 as audited by EY, which issued an independent auditor's report thereon, without qualification, on 8 March 2017.

The consolidated financial statements from which the selected consolidated financial information has been derived were prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission, and Part 9 of Book 2 of the Dutch Civil Code.

The selected consolidated financial information set out below contains summaries only of the consolidated balance sheets, the consolidated income statements, the consolidated statements of other comprehensive income, and the consolidated statements of cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of Refresco's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the unabbreviated audited consolidated financial statements for the financial years 2014, 2015 and 2016, including the related note disclosures and a description of significant accounting policies applied for each of these years, which are available on the website of Refresco at [www.refresco.com](http://www.refresco.com) (investors section) and the AFM Register of financial reporting. A summary of the significant accounting policies of the Refresco consolidated financial statements for the financial year 2016 is outlined in Section 15 (*Financial Statements 2016 of Refresco*).

The interim consolidated financial statements of Refresco for the first half year of 2017 is outlined in Section 14 (*Reviewed Interim Consolidated Financial Statements*).

## 13.2 Consolidated balance sheet at 31 December 2014, 2015 and 2016

€ x million	December 31, 2014	December 31, 2015	December 31, 2016
<b>Assets</b>			
Property, plant and equipment	523.5	526.4	632.0
Intangible assets	428.4	445.7	548.9
Other investments	5.7	3.2	3.1
Deferred income tax	4.2	8.6	9.5
<b>Total non-current assets</b>	<b>961.8</b>	<b>983.9</b>	<b>1,193.5</b>
Inventories	189.3	206.6	242.9
Derivative financial instruments	9.3	4.1	10.5
Current income tax receivable	0.2	0.7	0.3
Trade and other receivables	382.1	349.2	377.7
Cash and cash equivalents	96.6	95.7	139.1
<b>Total current assets</b>	<b>677.5</b>	<b>656.3</b>	<b>770.5</b>
Assets classified as held for sale	3.8	0.9	-
<b>Total assets</b>	<b>1,643.1</b>	<b>1,641.1</b>	<b>1,964.0</b>
<b>Equity</b>			
Issued share capital	5.9	9.7	9.7
Share premium	440.7	553.0	533.0
Other reserves	(8.9)	6.1	(23.0)
Retained earnings	(117.8)	(77.2)	(62.7)
Result for the year	38.6	42.2	81.5
Non-controlling interest	2.8	-	-
<b>Total equity</b>	<b>361.3</b>	<b>513.8</b>	<b>538.5</b>
<b>Liabilities</b>			
Loans and borrowings	684.2	549.0	749.7
Derivative financial instruments	11.1	10.2	11.9
Employee benefits provisions	34.7	32.3	46.4
Other provisions	2.1	3.8	1.6
Deferred income tax	15.3	9.3	23.5
<b>Total non-current liabilities</b>	<b>747.4</b>	<b>604.6</b>	<b>833.1</b>
Loans and borrowings	5.5	4.2	11.1
Derivative financial instruments	1.9	0.6	-
Trade and other payables	498.0	499.3	554.7
Current income tax liabilities	12.3	14.4	22.6
Provisions	16.7	4.2	4.0
<b>Total current liabilities</b>	<b>534.4</b>	<b>522.7</b>	<b>592.4</b>
<b>Total liabilities</b>	<b>1,281.8</b>	<b>1,127.3</b>	<b>1,425.5</b>
<b>Total equity and liabilities</b>	<b>1,643.1</b>	<b>1,641.1</b>	<b>1,964.0</b>

### 13.3 Consolidated income statement for the years ended 31 December 2014, 2015 and 2016

€ x million	December 31, 2014	December 31, 2015	December 31, 2016
Revenue	2,036.9	2,016.4	2,107.4
Other income	-	0.5	0.4
Raw materials and consumables used	(1,186.5)	(1,148.3)	(1,191.8)
Employee benefits expense	(226.8)	(221.7)	(243.9)
Depreciation, amortization and impairments	(87.8)	(84.5)	(87.6)
Other operating expenses	(429.0)	(451.9)	(455.2)
Operating profit	106.8	110.5	129.3
Finance income	0.2	0.4	0.1
Finance expense	(49.6)	(50.3)	(18.8)
Net finance costs	(49.4)	(49.9)	(18.7)
Profit/(loss) before income tax	57.4	60.6	110.6
Income tax (expense)/benefit	(20.9)	(18.8)	(29.1)
Profit/(loss) for the year from continuing operations	36.5	41.8	81.5
Profit/(loss) for the year from discontinued operations	2.2	-	-
Profit/(loss) for the year	38.7	41.8	81.5
Profit/(loss) attributable to:			
Owners of the Company	38.6	42.2	81.5
Non-controlling interest	0.1	(0.4)	-
Profit/(loss) for the year	38.7	41.8	81.5
Earnings per share			
Basic and diluted profit for the year attributable to ordinary equity holders of the parent	0.02	0.45	1.00
Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	0.02	0.45	1.00
Pro forma earnings per share <sup>14</sup>			
Pro forma basic and diluted profit for the year attributable to ordinary equity holders of the parent	-	0.53	1.00
Pro forma basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	-	0.53	1.00

<sup>14</sup> The pro forma earnings per share are presented to show the development in the earnings per share after adjustment for the change in capital structure in 2015.

### 13.4 Consolidated statement of other comprehensive income for the years ended 2014, 2015 and 2016

€ x million	December 31, 2014	December 31, 2015	December 31, 2016
Profit/(loss)	38.7	41.8	81.5
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations	(3.2)	(5.1)	(3.3)
Income tax (expenses)/benefits	1.2	1.2	1.1
Total	(2.0)	(3.9)	(2.2)
Items that may be subsequently reclassified to profit or loss			
Cashflow hedges	6.9	(3.7)	2.0
Foreign currency translation differences for foreign operations	2.6	21.4	(30.6)
Income tax (expenses)/benefits	(1.9)	1.2	1.7
Total	7.6	18.9	(26.9)
Other comprehensive income/(loss)	5.6	15.0	(29.1)
Total comprehensive income/(loss)	44.3	56.8	52.4
Attributable to:			
Owners of the Company	44.2	57.2	52.4
Non-controlling interest	0.1	(0.4)	-
Total comprehensive income/(loss)	44.3	56.8	52.4
Total comprehensive income/(loss) attributable to equity shareholders arises from:			
Continuing operations	42.1	56.8	52.4
Discontinuing operations	2.2	-	-
Total	44.3	56.8	52.4

### 13.5 Consolidated statement of cash flows for the years ended 31 December 2014, 2015 and 2016

€ x million	December 31, 2014	December 31, 2015	December 31, 2016
Profit/(loss) after tax including discontinued operations	38.7	41.8	81.5
Adjustments for:			
Depreciation, amortization and impairments	87.8	84.5	87.6
Net change in fair value derivative financial instruments	(4.1)	1.4	(0.6)
Net finance costs	49.4	49.9	18.7
(Gain)/loss on sale of property, plant and equipment	(0.7)	(0.3)	(0.4)
Income tax expense/(benefit)	20.9	18.8	29.1
Movement in employee benefit provisions and other provisions	(5.1)	(0.1)	(2.3)
Pension plan amendment	-	(8.0)	-
Cash flow from operating activities before changes in working capital	186.9	188.0	213.6
Changes in:			
Inventories	14.9	(15.4)	(27.6)
Trade and other receivables	(28.3)	38.4	(15.7)
Trade and other payables	41.5	(10.9)	25.0
Total change in working capital	28.1	12.1	(18.3)
Interest received	0.2	0.4	0.1
Interest paid	(48.1)	(34.3)	(16.8)
Early repayment fee	-	(13.3)	-
Income taxes paid	(11.0)	(23.0)	(22.1)
Net cash generated from operating activities	156.1	129.9	156.5
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	0.8	2.7	1.4
Purchase of property, plant and equipment	(59.1)	(84.2)	(81.4)
Purchase of intangible assets	(0.9)	(2.0)	(2.7)
Purchase/sale of other investments	20.6	2.5	0.1
Acquisition of subsidiaries, net cash acquired	-	-	(138.0)
Net cash used in investing activities	(38.6)	(81.0)	(220.6)
Cash flows from financing activities			
Proceeds from loans and borrowings	-	519.1	197.5
Repayment of loans and borrowings	(106.3)	(665.5)	(65.5)
Proceeds of new issued shares	-	100.0	-
Incremental costs on issue new shares	-	(3.9)	-
Dividend payment	-	-	(27.3)
Net cash (used in)/from financing activities	(106.3)	(50.3)	104.7
Net cash (used in)/from operating, investing and financing activities	11.2	(1.4)	40.6
Translation adjustment	(0.2)	0.5	(4.5)
Movement in cash and cash equivalents	11.0	(0.9)	36.1
Cash and cash equivalents as at January 1	85.6	96.6	95.7
Cash and cash equivalents as at December 31	96.6	95.7	139.1
Bank overdraft	-	-	(7.3)
Cash movement	11.0	(0.9)	36.1



### **13.6 Independent auditor's report on the selected consolidated financial information of Refresco**

## **Independent auditor's report on the selected consolidated financial information**

To: the shareholders and supervisory board of Refresco Group N.V.

### **Our opinion**

The selected consolidated financial information for the years ended 31 December 2014, 2015 and 2016 of Refresco Group N.V., based in Rotterdam, as included in section 13 of this Offer Memorandum is derived from the audited financial statements of Refresco Group N.V. for the years ended 31 December 2014, 2015 and 2016.

In our opinion, the selected consolidated financial information for the years ended 31 December, 2014, 2015 and 2016 is consistent, in all material respects, with the audited financial statements for the years ended 31 December 2014, 2015 and 2016, on the basis described in section 13.1 Basis for preparation of this Offer Memorandum.

The selected consolidated financial information comprise summaries of the:

- Consolidated balance sheet at 31 December 2014, 2015 and 2016;
- Consolidated income statement for the years ended 31 December 2014, 2015 and 2016;
- Consolidated statement of other comprehensive income for the years ended 31 December 2014, 2015 and 2016;
- Consolidated statements of cash flows for the years ended 31 December 2014, 2015 and 2016; and
- Explanatory notes.

### **Summary financial statements**

The selected consolidated financial information as included in section 13 of this Offer Memorandum does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information and our independent auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of Refresco Group N.V. and our independent auditor's report thereon. The financial statements and the selected consolidated financial information, do not reflect the effects of events that occurred subsequent to the date of our independent auditor's reports on those financial statements of 19 February 2015, 9 March 2016 and 8 March 2017.

### **The audited financial statements and our independent auditor's report thereon**

We expressed unqualified independent auditor's reports on the financial statements for the years ended 31 December 2014, 2015 and 2016 in our independent auditor's reports dated 19 February 2015, 9 March 2016 and 8 March 2017.

### **Responsibilities of the executive board and the supervisory board for the summary financial statements**

The executive board is responsible for the preparation of the selected consolidated financial information for the years ended 31 December 2014, 2015 and 2016, on the basis as described in accordance with the criteria as set out in section 13.1 Basis for preparation of this Offer Memorandum.

The supervisory board is responsible for overseeing the company's financial reporting process.

### **Our responsibility**

Our responsibility is to express an opinion on whether the selected consolidated financial information for the years ended 31 December 2014, 2015 and 2016 is consistent, in all material respects, with the

audited financial statements for the years ended 31 December 2014, 2015 and 2016 based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard on Auditing 810 “Opdrachten om te rapporteren betreffende samengevatte financiële overzichten” (*Engagements to report on summary financial statements*).

**Restriction of use**

The selected consolidated financial information for the years ended 31 December 2014, 2015 and 2016 and our independent auditor’s report thereon are intended solely for enclosure in this Offer Memorandum in connection with the recommended cash offer, within the meaning of article 5:76 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*), made by Sunshine Investments B.V. to all holders of issued and outstanding ordinary shares in the share capital of Refresco Goup N.V. to purchase their ordinary shares and cannot be used for other purposes.

Rotterdam, 22 January 2018

Ernst & Young Accountants LLP

/Signed by M. Bangma-Tjaden

# Refresco Group N.V. Half Year Report 2017



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# Half Year Report and Report for the second quarter 2017

## Interim Executive Board Report first half year 2017

Refresco continues to deliver on buy and build and organic volume growth in Q2 2017

### Q2 2017 Highlights<sup>1</sup>:

- Volume increased 20.5% to 2,052 million liters. Organic volume growth was 2.8%.
- Contract Manufacturing volume increased to 37.7% of total volume.
- Gross profit margin per liter decreased to 13.4 euro cents (Q2 2016: 14.0 euro cents). Like-for-like gross margin per liter was 13.9 euro cents.
- Adjusted EBITDA amounted to EUR 66 million (Q2 2016: EUR 68 million).
- Adjusted EPS was EUR 0.34 (Q2 2016: EUR 0.37).

In millions of EUR, unless stated otherwise (unaudited)	Q2 2017	Q2 2016	HY 2017	HY 2016
Volume (millions of liters)	2,052.2	1,703.3	3,726.1	3,027.9
Revenue	642.5	558.7	1,166.0	1,006.6
Gross profit margin per liter (euro cents)	13.4	14.0	13.7	14.3
EBITDA	65.4	66.6	102.2	100.6
Adjusted EBITDA	65.9	68.3	103.0	102.6
Net profit / (loss)	26.8	28.9	32.6	34.6
Adjusted net profit / (loss)	27.3	30.3	33.4	36.3
Adjusted EPS <sup>2,3</sup> (euro cents)	33.7	37.3	41.2	44.7
Net debt ratio (net debt/LTM adj. EBITDA)	-	-	2.8	2.6

CEO Refresco, Hans Roelofs:

"In July we announced the acquisition of Cott's bottling activities transforming Refresco into the world's largest independent bottler. In combining the two companies 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. This acquisition lies at the heart of our buy & build strategy and is a perfect fit with Refresco's current activities. It taps into the expected private label growth in the US enabling us to support further growth of our core customers and it creates in the US a national platform for contract manufacturing. We look forward to presenting this exciting new development to shareholders for their approval at the Extraordinary General Meeting on September 5, 2017.

"Looking back at the second quarter results we are pleased to report strong volume growth in Europe and the US driven by acquisitions and organic growth. On a like-for-like basis volume in retail brands remained stable and contract manufacturing for A-brands was up double digit. Gross profit margin per liter was in line with our expectations. Volume fluctuations in the quarter and significant startup costs of recently installed production lines affected our results."

<sup>1</sup> Change percentages and totals calculated before rounding.

## Volume and revenue by location of sales

In Q2 2017 total group volume was 2,052 million liters (Q2 2016: 1,703 million liters), an increase of 20.5% compared to Q2 2016 driven by acquisitions and organic growth. Like-for-like total group volume increased 2.8% in the second quarter.

Volume in Europe increased 5.2% compared to the same quarter last year, slightly outperforming the market<sup>2</sup>. Benelux reported increased volumes driven by the DIS acquisition and its growing canning business. In Iberia volumes decreased due to strong local competition. In Q2 2017 volume in the US amounted to 261 million liters.

Volume (in million liters)	Q2 2017	Q2 2016	HY 2017	HY 2016
Benelux	399.1	333.6	715.6	559.2
Germany	379.6	366.8	696.1	680.0
France	272.2	262.8	494.9	476.2
Iberia	132.4	156.6	245.8	284.7
Italy	261.4	245.1	445.8	429.7
North East Europe	153.7	152.5	264.5	266.1
UK	192.9	185.9	363.1	332.0
<b>Total Europe</b>	<b>1,791.3</b>	<b>1,703.3</b>	<b>3,225.8</b>	<b>3,027.9</b>
US	260.9	-	500.3	-
<b>Total Group</b>	<b>2,052.2</b>	<b>1,703.3</b>	<b>3,726.1</b>	<b>3,027.9</b>

Total volume in Contract Manufacturing increased to 773 million liters in Q2 2017 compared to 428 million liters in Q2 2016, on a like-for-like basis Contract manufacturing<sup>3</sup> volume increased 11.5%. Retail brands<sup>4</sup> volume increased slightly this quarter compared to the same quarter last year with 0.3% to 1,279 million liters. On a like-for-like basis retail brands volume was in line with Q2 2016. Contract manufacturing as a percentage of total volume increased to 37.7% in Q2 2017 compared to 25.2% in the same quarter last year.

Contract manufacturing and Retail brands (in million liters)	Q2 2017	Q2 2016	HY 2017	HY 2016
Retail brands	1,279.3	1,274.9	2,332.3	2,316.7
Contract manufacturing	772.9	428.4	1,393.8	711.2
<b>Total</b>	<b>2,052.2</b>	<b>1,703.3</b>	<b>3,726.1</b>	<b>3,027.9</b>

Revenue in Q2 2017 increased 15% to €643 million compared to €559 million in Q2 2016. As revenue in the US consists almost entirely of filling fees, the revenue is relatively low compared to the volumes.

Revenue (in millions of €)	Q2 2017	Q2 2016	HY 2017	HY 2016
Europe	605.2	558.7	1,092.1	1,006.6
US	37.3	-	73.9	-
<b>Total Group</b>	<b>642.5</b>	<b>558.7</b>	<b>1,166.0</b>	<b>1,006.6</b>

## Gross margin per liter

Gross profit margin per liter in the second quarter of 2017 was 13.4 euro cents compared to 14.0 euro cents in the second quarter of 2016. The difference is in line with the expected impact of the acquisition in the US. On a like-for-like basis, excluding acquisitions, gross profit margin per liter amounted to 13.9 euro cents in Q2 2017.

<sup>2</sup> Based on Nielsen European market data.

<sup>3</sup> Co-Packing has been renamed to contract manufacturing.

<sup>4</sup> Private Label has been renamed to retail brands.

## Reconciliation of operating profit to adjusted EBITDA

Operating profit in Q2 2017 decreased to €41 million compared to €46 million in Q2 2016. Operating costs increased to €234 million from €193 million mainly due to the acquisitions of DIS and Whitlock Packaging, volume fluctuations in the quarter and significant start up costs relating to recently installed new production lines across the business. Volumes were very weak in April while June volumes exceeded our expectations. These differences resulted in relatively higher other operating costs such as temporary staff, external warehousing costs and transportation costs.

EBITDA was €65 million in Q2 2017 compared to €67 million in Q2 2016. As there were no significant one-off costs in the quarter, reported EBITDA was in line with adjusted EBITDA, as is shown in the table below.

In millions of € unaudited	Q2 2017	Q2 2016	HY 2017	HY 2016
<b>Operating profit</b>	<b>41.3</b>	<b>45.8</b>	<b>54.5</b>	<b>59.6</b>
D&A and impairment costs	24.1	20.8	47.7	41.0
<b>EBITDA</b>	<b>65.4</b>	<b>66.6</b>	<b>102.2</b>	<b>100.6</b>
One-off costs/(benefits)	0.5	1.7	0.8	2.0
<b>Adjusted EBITDA</b>	<b>65.9</b>	<b>68.3</b>	<b>103.0</b>	<b>102.6</b>

## Finance costs and tax

Finance expenses for the quarter remained stable at €5 million (Q2 2016: €5 million). Net income tax in Q2 2017 decreased to €9 million compared to €12 million in the same quarter last year. The effective tax rate was 25.8% (29.5% in Q2 2016).

## Reconciliation of net profit to adjusted net profit

Net profit in Q2 2017 amounted to €27 million compared to €29 million in Q2 2016. As there were no significant one-off costs in the quarter, adjusted net profit was in line at €27 million (Q2 2016: €30 million).

## Earnings per share

Earnings per share amounted to 33 euro cents in Q2 2017 (Q2 2016: 36 euro cents). Adjusted earnings per share was 34 euro cents in Q2 2017 compared to 37 euro cents in Q2 2016. The total number of outstanding shares was 81.2 million in both quarters.

## Balance sheet and financial position

Balance sheet total amounted to €2,008 million compared to €1,964 million at the end of December 2016. Cash and cash equivalents amounted to €131 million at the end of June 2017 (December 31, 2016: €139 million). Net debt amounted to €621 million (31 December, 2016: €622 million) consisting of €744 million in loans and borrowings, €7 million bank overdraft and €131 million cash and cash equivalents. The net debt ratio was 2.8 at the end of June 2017 compared to 2.8 at the end of December 2016.

## Capex, working capital and cash flow

Capex spending in Q2 2017 was €14 million compared to €17 million in Q2 2016. Working capital decreased to €58 million (Q2 2016: €78 million). In Q2 2017 net cash generated from operating activities increased to €66 million compared to €32 million in the same period last year, relating to the change in working capital.



## Subsequent event

On July 25 Refresco announced the signing of a definitive agreement with Cott to acquire Cott's bottling activities for USD 1.25 billion, creating the world's largest independent bottler with leadership in Europe and North America. Included in the purchase price is a tax asset of USD 75 million. Cott's bottling activities consist of 24 production sites in North America and 5 in the UK. It is a business with 2016 revenues of USD 1.7 billion (US GAAP), an adjusted EBITDA of USD 136.5 million (US GAAP), an estimated volume of 4.3 billion liter and strong cash flow. The acquisition anticipates the expected retail brands market growth in the US driven by the expansion of hard discounters, expanding footprint of online retailers and macro factors enabling retail brands growth. The acquisition will be fully financed with Term loan B fully underwritten by existing key banks. The company intends to issue €200 million in shares at the earliest opportunity. The transaction is expected to close in the second half of 2017.

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. Given the recent timing of the transaction the Group is unable to provide the information regarding acquired assets and liabilities and revenues and profits as if the transaction would have been effected at January 1, 2017. An update will be provided in Q4 2017.

## Outlook

In the medium term Refresco targets an average organic volume growth in the low to mid-single digits based on current market outlook. Gross profit margin per liter in the medium term is expected to come down marginally due to product mix effects. For 2017, we also expect the gross profit margin per liter to come down due to the change in product mix relating to the integration of the 2016 acquisitions.

## Analyst presentation & conference call

Today, at 10:00 am CET, Refresco will host an analyst call and webcast. The dial-in number is +31 (0)20 703 8261, or +44 330 336 9412 for international participants. The conference ID is 4808726. 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

Extraordinary General Meeting of Shareholders	September 5, 2017
Publication of Q3 2017 results	November 9, 2017

## For more information, please contact:

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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.

### Notes to the press release

The consolidated financial statements are presented in millions of euros and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases. Change percentages and totals are calculated before rounding.

Like-for-like (organic) numbers exclude the volumes of the acquisitions DIS and Whitlock Packaging.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

## Overview risks

Overview of our primary strategic, operational, financial, and other risks is set out in the Executive Board Report in our Annual Report 2016. Financial risks are described in more detail in the Notes to the Consolidated Financial Statements 2016 (Note 3). The Group has established risk management policies 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 assessment policies and the main identified risks as described in our Annual Report 2016 did not change in the first half year of 2017 and we do not have any indication this will significantly change in the remaining six months of the financial year 2017.

Rotterdam, August 9, 2017 Executive Board

Hans Roelofs – Chief Executive Officer

Aart Duijzer – Chief Financial Officer

Vincent Delozière – Chief Operational Officer Europe

## Interim consolidated income statement

For the six months ended

(x 1 million euro)

unaudited

	Note	June 30, 2017	June 30, 2016 unreviewed
<b>Revenue</b>		<b>1,166.0</b>	<b>1,006.6</b>
Other income		(0.1)	0.1
Raw materials and consumables used		(654.8)	(574.9)
Employee benefits expenses		(143.8)	(115.5)
Depreciation, amortization and impairment		(47.7)	(41.0)
Other operating expenses		(265.1)	(215.7)
<b>Operating profit</b>		<b>54.5</b>	<b>59.6</b>
Finance income		0.2	-
Finance expense		(10.4)	(10.2)
<b>Net finance costs</b>		<b>(10.2)</b>	<b>(10.2)</b>
<b>Profit/(loss) before income tax</b>		<b>44.3</b>	<b>49.4</b>
Income tax (expense) / benefit	9	(11.7)	(14.8)
<b>Profit / (loss) for the period</b>		<b>32.6</b>	<b>34.6</b>
<b>Profit / (loss) attributable to:</b>			
Owners of the Company		32.6	34.6
Non-controlling interest		-	-
<b>Profit / (loss) for the period</b>		<b>32.6</b>	<b>34.6</b>
<b>Earnings per share (euro cents)</b>			
Basic and diluted profit for the period attributable to ordinary equity holders of the parent		40.2	42.7
Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent		40.2	42.7

## Interim consolidated statement of other comprehensive income

For the six months ended

(x 1 million euro)

unaudited

Note

June 30, 2017

June 30, 2016  
unreviewed

Profit / (loss)		32.6	34.6
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		2.7	0.2
Income tax (expenses) / benefits		(0.7)	-
<b>Total</b>		<b>2.0</b>	<b>0.2</b>
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges	13	(5.2)	(3.2)
Foreign currency translation differences for foreign operations		(3.1)	(25.2)
Income tax (expenses) / benefits		1.6	2.8
<b>Total</b>		<b>(6.7)</b>	<b>(25.6)</b>
Other comprehensive income / (loss)		(4.7)	(25.4)
<b>Total comprehensive income / (loss)</b>		<b>27.9</b>	<b>9.2</b>
Attributable to:			
<b>Owners of the Company</b>		<b>27.9</b>	<b>9.2</b>
Non-controlling interest		-	-
<b>Total comprehensive income / (loss)</b>		<b>27.9</b>	<b>9.2</b>

## Interim consolidated balance sheet

As at

(x 1 million euro)	Note	June 30, 2017 unaudited	December 31 2016 audited
<b>Assets</b>			
Property, plant and equipment		617.6	632.0
Intangible assets		540.7	548.9
Other investments		2.9	3.1
Deferred income tax		11.3	9.5
<b>Total non-current assets</b>		<b>1,172.5</b>	<b>1,193.5</b>
Inventories		242.5	242.9
Derivative financial instruments		0.1	10.5
Current income tax receivable		-	0.3
Trade and other receivables		462.6	377.7
Cash and cash equivalents		130.6	139.1
<b>Total current assets</b>		<b>835.8</b>	<b>770.5</b>
<b>Total assets</b>		<b>2,008.3</b>	<b>1,964.0</b>
<b>Equity</b>			
Issued share capital		9.7	9.7
Share premium		533.0	533.0
Other reserves	11	(27.7)	(23.0)
Retained earnings	11	(12.0)	(62.7)
Result for the period		32.6	81.5
<b>Total equity</b>		<b>535.6</b>	<b>538.5</b>
<b>Liabilities</b>			
Loans and borrowings	12	740.8	749.7
Derivative financial instruments		8.9	11.9
Employee benefits provisions		45.1	46.4
Other provisions		1.2	1.6
Deferred income tax		19.1	23.5
<b>Total non-current liabilities</b>		<b>815.1</b>	<b>833.1</b>
Loans and borrowings		10.5	11.1
Derivative financial instruments		0.5	-
Trade and other payables		617.6	554.7
Current income tax liabilities		26.0	22.6
Provisions		3.0	4.0
<b>Total current liabilities</b>		<b>657.6</b>	<b>592.4</b>
<b>Total liabilities</b>		<b>1,472.7</b>	<b>1,425.5</b>
<b>Total equity and liabilities</b>		<b>2,008.3</b>	<b>1,964.0</b>

## Interim consolidated statement of changes in equity

For the six months ended

(x 1 million euro) unaudited	Issued share capital	Share premium	Other reserves	Retained earnings	Result for the period	Total	Non- controlling interest	Total Equity
<b>Balance as at January 1, 2017</b>	<b>9.7</b>	<b>533.0</b>	<b>(23.0)</b>	<b>(62.7)</b>	<b>81.5</b>	<b>538.5</b>	<b>-</b>	<b>538.5</b>
Other comprehensive income / (loss)	-	-	(4.7)	-	-	(4.7)	-	(4.7)
Profit / (loss)	-	-	-	-	32.6	32.6	-	32.6
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>(4.7)</b>	<b>-</b>	<b>32.6</b>	<b>27.9</b>	<b>-</b>	<b>27.9</b>
<b>Appropriation of result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81.5</b>	<b>(81.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividends paid	-	-	-	(30.8)	-	(30.8)	-	(30.8)
<b>Total transactions with owners recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30.8)</b>	<b>-</b>	<b>(30.8)</b>	<b>-</b>	<b>(30.8)</b>
<b>Balance as at June 30, 2017</b>	<b>9.7</b>	<b>533.0</b>	<b>(27.7)</b>	<b>(12.0)</b>	<b>32.6</b>	<b>535.6</b>	<b>-</b>	<b>535.6</b>
<b>Balance as at January 1, 2016</b>	<b>9.7</b>	<b>533.0</b>	<b>6.1</b>	<b>(77.2)</b>	<b>42.2</b>	<b>513.8</b>	<b>-</b>	<b>513.8</b>
Other comprehensive income / (loss)	-	-	(25.4)	-	-	(25.4)	-	(25.4)
Profit / (loss)	-	-	-	-	34.6	34.6	-	34.6
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>(25.4)</b>	<b>-</b>	<b>34.6</b>	<b>9.2</b>	<b>-</b>	<b>9.2</b>
<b>Appropriation of result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.2</b>	<b>(42.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividends paid	-	-	-	(27.6)	-	(27.6)	-	(27.6)
<b>Total transactions with owners recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27.6)</b>	<b>-</b>	<b>(27.6)</b>	<b>-</b>	<b>(27.6)</b>
<b>Balance as at June 30, 2016 (unreviewed)</b>	<b>9.7</b>	<b>533.0</b>	<b>(19.3)</b>	<b>(62.6)</b>	<b>34.6</b>	<b>495.4</b>	<b>-</b>	<b>495.4</b>



## Interim consolidated statement of cash flows

For the six months ended

(x 1 million euro) unaudited	Note	YTD	
		June 30, 2017	June 30, 2016 unreviewed
<b>Cash flows from operating activities</b>			
<b>Profit / (loss) after tax</b>		<b>32.6</b>	<b>34.6</b>
Adjustments for:			
Depreciation, Amortization and impairments		47.7	41.0
Net change in fair value derivative financial instruments		3.7	(0.1)
Net finance costs		10.2	10.2
(Gain) / loss on sale of property, plant and equipment and other investments		-	0.1
Income tax expense / (benefit)		11.7	14.8
Movements in employee benefits provisions and other provisions		(2.6)	(4.6)
<b>Cash flows from operating activities before changes in working capital</b>		<b>103.3</b>	<b>96.0</b>
Change in:			
Inventories		0.5	(30.4)
Trade and other receivables		(86.4)	(49.1)
Trade and other payables		75.0	46.0
<b>Total change in working capital</b>		<b>(10.9)</b>	<b>(33.5)</b>
Interest received		0.2	-
Interest paid		(10.3)	(8.4)
Income taxes paid		(11.2)	(14.2)
<b>Net cash generated from operating activities</b>		<b>71.1</b>	<b>39.9</b>
<b>Cash flows from investing and acquisition activities</b>			
Proceeds from sale of property, plant and equipment		0.1	1.1
Purchase of property, plant and equipment		(43.3)	(35.0)
Purchase of intangible assets		(0.4)	(0.7)
Purchase / sale of other investments		0.2	0.3
Acquisition of subsidiary, net of cash acquired	7	(6.5)	(87.5)
<b>Net cash used in investing and acquisition activities</b>		<b>(49.9)</b>	<b>(121.8)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		-	80.0
Repayment of loans and borrowings		(1.9)	(1.9)
Dividend payment		(26.2)	(23.5)
<b>Net cash (used in) / from financing activities</b>		<b>(28.1)</b>	<b>54.6</b>
<b>Net cash (used in) / from operating, investing and financing activities</b>		<b>(6.9)</b>	<b>(27.3)</b>
Translation adjustment		(1.3)	(2.8)
<b>Movement in cash and cash equivalents</b>		<b>(8.2)</b>	<b>(30.1)</b>
Cash and cash equivalents as at January 1 (139.1 -/- 7.3)		131.8	95.7
<b>Cash and cash equivalents as at June 30</b>		<b>130.6</b>	<b>65.6</b>
Bank overdraft		(7.0)	-
<b>Cash movement</b>		<b>(8.2)</b>	<b>(30.1)</b>

# Notes to the interim consolidated financial statements

## 1 Reporting entity

Refresco Group N.V. ('Refresco' or the 'Company' or, together with its group companies, the 'Group') is domiciled in the Netherlands, with its registered office at Fascinatio Boulevard 270, 3065 WB Rotterdam, whose shares are publicly traded. The activities of the Group consist of the manufacturing of beverages for retailers and A-brands. Sales and production are made both domestically and abroad, the European Union and the US being the most important markets.

## 2 Basis of preparation

### Statement of compliance

The interim consolidated financial statements for the six months ended June 30, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2016.

The interim consolidated financial statements of Refresco Group N.V. as at and for the six months ended June 30, 2017 have not been audited. The interim consolidated financial statements were authorized for publication in accordance with a resolution of the Executive Board on August 9, 2017.

## 3 Accounting principles applied for the preparation of the interim consolidated financial statements

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2016. The IFRS changes applicable as from January 1, 2017 do not have any or only an immaterial effect on our Consolidated financial statements.

## 4 Seasonality

The Group's business is impacted by seasonal purchasing patterns. Revenues of Refresco businesses are the strongest during the summer period in the second quarter and the third quarter as the weather conditions determine the sales volumes. The seasonal effect has also an increasing impact on the working capital during the summer period and will decrease thereafter.

The cash flow is the strongest in the third quarter as revenues of the summer period are received.

## 5 Benchmark figures

The Group uses key performance indicators EBITDA, Adjusted EBITDA, Adjusted net result, Adjusted earnings per share, Net debt ratio, Working capital and Gross profit margin to measure the underlying performance of the business from continuing operations. These performance indicators may differ from the same terms used by other companies and are not defined in IFRS. The performance indicators are presented as additional information and do not replace the information in the consolidated income statement, consolidated balance sheet and the consolidated statement of cash flows. The term 'adjusted' is not a defined term under IFRS.

## EBITDA and Adjusted EBITDA

The company applies EBITDA to exclude the effects Depreciation, amortization and impairment costs, Net finance costs and Income tax from the operating profit and applies Adjusted EBITDA to exclude the effects of certain exceptional charges that we believe are not indicative of our underlying operating performance. Such adjustments relate primarily to substantial one-off restructurings, refinancing costs and costs relating to acquisitions or disposals.

(x 1 million euro) unaudited	June 30, 2017	June 30, 2016 unreviewed
Operating profit / (loss)	54.5	59.6
Depreciation, amortization and impairment costs	47.7	41.0
<b>EBITDA</b>	<b>102.2</b>	<b>100.6</b>
Merger and restructuring cost	0.7	0.4
PPA: revaluation inventory	0.1	1.4
Sales of fixed assets	-	0.2
<b>Adjusted EBITDA</b>	<b>103.0</b>	<b>102.6</b>

## Adjusted net result

The company applies Adjusted net result to exclude the effects of certain exceptional charges that we believe are not indicative of our underlying operating performance from the Net result. Such adjustments relate primarily to substantial one-off restructurings, refinancing costs and costs relating to acquisitions or disposals.

## Reconciliation between Net result and Adjusted net result

For the six months ended

(x 1 million euro) unaudited	June 30, 2017	June 30, 2016 unreviewed
Net profit / (loss)	32.6	34.6
Non-controlling interest	-	-
<b>Profit / (Loss) attributable to owners of the company</b>	<b>32.6</b>	<b>34.6</b>
Merger and restructuring cost	0.7	0.4
PPA: revaluation inventory	0.1	1.4
Sales of fixed assets	-	0.2
Tax effect	-	(0.3)
<b>Adjusted net profit / (loss)</b>	<b>33.4</b>	<b>36.3</b>

## 6 Segment reporting

Refresco's operations are presented in two reportable segments Europe and US. Until September 7, 2016 Refresco had one operating segment Europe. The accounting policies used for the segments are the same as the accounting policies used for the consolidated financial statements as described in note 2.

(x 1 million euro)	June 30, 2017 Europe	June 30, 2017 US	June 30, 2017 Refresco Group	June 30, 2016 Refresco Group unreviewed
Consolidated income statement				
<b>Revenue</b>	<b>1,092.1</b>	<b>73.9</b>	<b>1,166.0</b>	<b>1,006.6</b>
Other income	(0.1)	-	(0.1)	0.1
Raw materials and consumables used	(633.4)	(21.4)	(654.8)	(574.9)
Employee benefits expense	(125.9)	(17.9)	(143.8)	(115.5)
Depreciation, amortization and impairments	(42.0)	(5.7)	(47.7)	(41.0)
Other operating expenses	(238.2)	(26.9)	(265.1)	(215.7)
<b>Operating profit</b>	<b>52.5</b>	<b>2.0</b>	<b>54.5</b>	<b>59.6</b>
<b>Net finance costs</b>	<b>(10.0)</b>	<b>(0.2)</b>	<b>(10.2)</b>	<b>(10.2)</b>
<b>Profit/(loss) before income tax</b>	<b>42.5</b>	<b>1.8</b>	<b>44.3</b>	<b>49.4</b>
Income tax (expense) / benefit	(11.7)	0.0	(11.7)	(14.8)
<b>Profit/(loss) for the year</b>	<b>30.8</b>	<b>1.8</b>	<b>32.6</b>	<b>34.6</b>
<b>Total asset value</b>	<b>1,913.6</b>	<b>170.7</b>	<b>2,008.3</b>	<b>1,767.1</b>
<b>Total liabilities</b>	<b>1,434.5</b>	<b>114.2</b>	<b>1,472.7</b>	<b>1,271.7</b>
Additions and business combinations				
Additions to property, plant and equipment, investment property, and intangible assets	26.6	3.0	29.6	28.0
Property, plant and equipment and intangible assets acquired through business combinations (including Goodwill)	7.6	-	7.6	109.1
Depreciation, amortization and impairments				
Depreciation of property, plant and equipment	(40.5)	(5.4)	(45.9)	(39.7)
Amortization of intangible assets	(1.5)	(0.3)	(1.8)	(1.3)
<b>Depreciation, amortization and impairments</b>	<b>(42.0)</b>	<b>(5.7)</b>	<b>(47.7)</b>	<b>(41.0)</b>

The total asset value of Europe and total liability of US includes an intercompany loan of EUR 76.0 million.

## 7 Business combinations

On March 1, 2017, Refresco acquired Sanpellegrino's bottling facility in Recoaro, Italy ('Recoaro plant'). The acquisition concerns besides the plant, selected assets and liabilities and employees. This plant is engaged in producing non-alcoholic beverages in PET bottles and glass bottles.

(x 1 million euro)	Recoaro plant
Acquisition price	6.5
<b>Consideration paid in cash</b>	<b>6.5</b>
Less: cash and cash equivalent balances acquired	-
<b>Net movement in cash</b>	<b>6.5</b>

(x 1 million euro)

## Recoaro plant

**Non-current assets**

Property, plant and equipment	7.6
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**Current assets**

Inventories	0.9
Trade and other receivables	0.1

**Non-current liabilities**

Employee benefits provisions	(1.4)
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**Current liabilities**

Trade and other payables	(0.7)
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<b>Fair value of identifiable net assets acquired</b>	<b>6.5</b>
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The initial accounting for the acquisition of the Recoaro plant has only been provisionally determined at the end of the interim reporting period. For tax purposes, the tax values of Recoaro assets are required to be reset based on market valuations and other factors. At the date of finalization of this interim financial report, the necessary market valuations and other calculations had not been finalized and the values above have therefore been provisionally determined based on the directors' best estimate of the likely tax values. The market valuations obtained for tax purposes may also impact the recognized fair values of the other assets acquired as part of the business combination.

(x 1 million euro)

## Recoaro plant

Consideration transferred	6.5
Less: fair value of identifiable net assets acquired	(6.5)
<b>Goodwill arising on acquisition</b>	<b>-</b>

Acquisition-related costs amounting to EUR 0.1 million have been excluded from the consideration transferred and have been recognized as an expense during the first half year in the Other operating expenses.

**Impact of acquisition on the results of the Group**

The revenue the first six months ended June 30, 2017 includes EUR 3.9 million in respect of Recoaro and the loss for the first six months ended June 30, 2017 includes EUR 0.4 million in respect of Recoaro. Had the acquisition of Recoaro been effected at January 1, 2017, the revenue of the Group from continuing operations for the six months ended June 30, 2017 would have been EUR 1,167.7 million and the profit for the year from continuing operations would have been EUR 32.4 million. Management of the Group consider these pro-forma numbers to represent an approximate measure of the performance of the combined group on a half-year basis and to provide a reference point for comparison in future periods.

**8 Share plan**

In the context of the Performance related share plan the Group granted as per March 20, 2017 a total of 270,591 conditional shares to the members of the Executive Board and key employees. The number of participants of the performance-related share plan is 49.

The Executive Board will build up, over a three-year period from grant date a maximum of 65% of the gross base salary in Refresco shares and hold these shares for the duration of 2 years after vesting date. For the key employees the build up deviates from 15% until 45% of the gross base salary in Refresco shares without restrictions after vesting date.

The conditional right will vest after 3 years. The performance period is from 1 January 2017 – 31 December 2019 and the conditional right is subject to continued employment and performance conditions Return on capital employed (ROCE) for 75% and Earnings per share (EPS) growth for 25%. For each of these performance criteria, the minimum vesting is 0 percent and the maximum vesting is 150 percent of the relevant part of the conditional share grant. Achievement of the performance targets is determined by the Supervisory Board in the first quarter of the year following the three-year performance period.

The Group determined the fair value of the equity instruments granted at the market share price at grant date less the net present value of the expected dividend until vesting date. The Group makes a best estimate of the realization of the non-market based performance conditions taken into account by adjusting the number of shares that is expected to vest at vesting date. The total expense relating the Performance share plan is expensed over the vesting period.

For the first six months ending June 30, 2017 no amount is included in the Employee benefit expenses and in Equity in the Other reserves.

The Group shall at all times keep available sufficient authorized and unissued Company shares or shall procure that sufficient Company shares are available to satisfy the delivery of all Performance shares taking into account any other obligations of the Group to procure the provision of Company shares.

## 9 Income tax expense

(x 1 million euro)	June 30, 2017	Six months ended June 30, 2016 unreviewed
Current income tax current year	(15.2)	(14.6)
Current income tax previous years	0.6	0.4
Current portion other taxes	(1.2)	(1.2)
<b>Current income tax</b>	<b>(15.8)</b>	<b>(15.4)</b>
Deferred income tax current year	4.4	1.3
Deferred income tax previous years	(0.3)	(0.2)
<b>Deferred income tax</b>	<b>4.1</b>	<b>1.1</b>
<b>Withholding tax charge</b>	<b>-</b>	<b>(0.5)</b>
<b>Total income tax (expense) / benefit</b>	<b>(11.7)</b>	<b>(14.8)</b>

The current portion of other tax charge includes other profit related taxes.

Reconciliation of effective tax rate:

(x 1 million euro)			Six months ended	
	June 30, 2017		June 30, 2016 unreviewed	
		%		%
Result before tax	44.3		49.4	
Income tax based on the Group's blended tax rate	(12.5)	28.1%	(13.7)	27.7%
Non-deductible operational expenses	(0.4)	0.8%	(0.3)	0.6%
Non-deductible interest expenses	(0.5)	1.1%	(0.5)	0.9%
Investment allowances	2.1	(4.7%)	0.3	(0.5%)
Participation related results	-	0.0%	(0.1)	0.1%
Non-deductible M&A expenses	0.0	0.1%	-	0.0%
Tax rate change impact	0.0	(0.1%)	0.3	(0.7%)
(De)recognition (un)recognized deferred tax assets	-	0.0%	0.1	(0.2%)
Other taxes	(0.8)	2.0%	(1.3)	2.6%
Prior period taxes	0.4	(0.8%)	0.3	(0.5%)
Other reconciling items	-	0.0%	0.1	0.1%
<b>Total income tax (expense) / benefits</b>	<b>(11.7)</b>	<b>26.5%</b>	<b>(14.8)</b>	<b>29.9%</b>

The effective tax rate is 26.5% compared to the Group's blended tax rate of 28.1%. The lower effective tax rate is mainly explained by investment allowances in France and some positive prior period taxes. The income tax expense for the first six months ended June 30, 2017 is determined based on a year-to-date approach. If the Group had used the integral method by determining the estimated weighted-average annual effective income tax rate for the whole year, applying to the year-to date income before tax, the income tax expense for the first six months would have been not been materially different.

## 10 Working capital

The group defined the working capital as follows:

(x 1 million euro)			June 30,	December 31,
	Note		2017 unaudited	2016 audited
Inventories			242.5	242.9
Derivative financial instruments			0.1	10.5
Current income tax receivable			-	0.3
Trade and other receivables			462.6	377.7
Derivative financial instruments			(0.5)	-
Trade and other payables			(617.6)	(554.7)
Current income tax liabilities			(26.0)	(22.6)
Provisions			(3.0)	(4.0)
<b>Working capital</b>			<b>58.1</b>	<b>50.1</b>

## 11 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:

(x 1 million euro) unaudited	Hedge reserve Interest rate swaps	Hedge reserve FX instruments	Currency translation reserve	Actuarial gains and losses on pensions	Total Other reserves	Non- controlling interest	Total Other reserves
<b>Balance as at January 1, 2017</b>	<b>(5.0)</b>	<b>5.0</b>	<b>(4.7)</b>	<b>(18.3)</b>	<b>(23.0)</b>	<b>-</b>	<b>(23.0)</b>
Changes in cash flow hedge	2.2	(7.4)	-	-	(5.2)	-	(5.2)
Translation results	-	-	(3.1)	-	(3.1)	-	(3.1)
Change in employee benefits	-	-	-	2.7	2.7	-	2.7
Tax	(0.6)	1.9	0.3	(0.7)	0.9	-	0.9
<b>Balance as at June 30, 2017</b>	<b>(3.4)</b>	<b>(0.5)</b>	<b>(7.5)</b>	<b>(16.3)</b>	<b>(27.7)</b>	<b>-</b>	<b>(27.7)</b>
<b>Balance as at January 1, 2016</b>	<b>(3.1)</b>	<b>1.6</b>	<b>23.7</b>	<b>(16.1)</b>	<b>6.1</b>	<b>-</b>	<b>6.1</b>
<b>Changes in cash flow hedge</b>	<b>(5.8)</b>	<b>2.6</b>	<b>-</b>	<b>-</b>	<b>(3.2)</b>	<b>-</b>	<b>(3.2)</b>
Translation results	-	-	(25.2)	-	(25.2)	-	(25.2)
Change in employee benefits	-	-	-	0.2	0.2	-	0.2
Tax	1.4	(0.6)	2.0	-	2.8	-	2.8
<b>Balance as at June 30, 2016 (unreviewed)</b>	<b>(7.5)</b>	<b>3.6</b>	<b>0.5</b>	<b>(15.9)</b>	<b>(19.3)</b>	<b>-</b>	<b>(19.3)</b>

#### Retained earnings

The profit of 2016 has been added to the retained earnings.

#### Dividends

A final dividend of EUR 0.38 per share was declared and paid during the period relating to the prior year financial results. Dividend tax is recorded as Trade and other payables as per June 30, 2017.

#### Earnings per share (EPS)

For the six months ended June 30, 2017 the number of shares amount to 81.2 million ( June 30, 2016 81.2 million).

### 12 Loans and borrowings

The interest-bearing loans and borrowings are recognized at amortized cost.

(x 1 million euro) Non-current	June 30, 2017 unaudited	December 31, 2016 audited
Syndicated external loan	720.0	727.8
Capitalized finance costs	(6.0)	(7.0)
Mortgage loan	20.6	22.4
Other loan	3.8	3.8
Finance lease liabilities	2.4	2.7
<b>Loans and borrowings</b>	<b>740.8</b>	<b>749.7</b>

(x 1 million euro)	June 30, 2017	December 31, 2016
Current	unaudited	audited
Mortgage loan	2.9	2.9
Finance lease liabilities	0.6	0.9
<b>Loans and borrowings</b>	<b>3.5</b>	<b>3.8</b>
Bank overdrafts	7.0	7.3
<b>Total</b>	<b>10.5</b>	<b>11.1</b>

The face value of the syndicated external loan is EUR 720.0 million.

### 13 Fair values 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. For additional information we refer to the Annual report 2016, note 3.3.

#### Foreign currency risk

The fair value of foreign currency instruments per reporting date is -/- EUR 0.5 million (December 31, 2016 EUR 9.7 million debit). 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 0.5 million loss net of deferred taxes (December 31, 2016 EUR 5.0 million profit) in other comprehensive income. During the first six months of 2017 no amounts are recorded in raw material costs due to ineffectiveness.

The amounts deferred in equity at June 30, 2017 are expected to affect profit or loss in the second half of 2017 and 2018. All of the resulting fair value estimates are valued according valuation technique Level 2.

The following significant exchange rates were applied during the period:

Value of EUR 1	Average first six months		As at June 30	
	2017	2016	2017	2016
USD	1.09	1.12	1.14	1.11
GBP	0.86	0.77	0.88	0.83
PLN	4.27	4.37	4.23	4.43

#### Interest rate risk

The fair value of interest rate swaps per reporting date is -/- EUR 8.9 million (December 31, 2016: -/- EUR 11.9 million). The effective part of the fair value changes of the interest rate swaps amounts to EUR 3.4 million loss net of deferred taxes (December 31, 2016 EUR 5.0 million loss) in other comprehensive income. In 2017 no amounts are reclassified from other Comprehensive Income to financing costs relating the fair value. Throughout the first six months of 2017 the cash flow hedge accounting relationships were effective. The Group reported an amount of EUR 1.7 million relating the effective interest rate swaps in finance cost during the first six months of 2017. The amounts deferred in equity as per reporting date are expected to affect financing costs within the coming five years. All of the resulting fair value estimates are valued according valuation technique Level 2.

## Commodity swaps

The Group hedges the raw material aluminum through derivatives. The fair value of the aluminum swaps per reporting date amounts to EUR 0.1 million (December 31, 2016: EUR 0.8 million). All of the resulting fair value are valued according valuation technique Level 2.

## Fair values of other financial assets and liabilities

The fair values of other financial assets and liabilities approximate the carrying amounts, as the impact is not significant.

## 14 New standards and interpretations

The following standards are issued but not yet effective as of June 30, 2017:

- IFRS 15 Revenue from Contracts with Customers, effective January 1, 2018 (endorsed by EU September 22, 2016)
- IFRS 9 Financial Instruments (issued in 2014), effective January 1, 2018 (endorsed by EU November 22, 2016)
- IFRS 16 Leases, effective January 1, 2019 (endorsement EU expected in fourth quarter 2017)
- Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses, effective January 1, 2017 (endorsement EU expected in fourth quarter 2017)
- Amendments to IAS 7 - Disclosure Initiative, effective January 1, 2017 (endorsement EU expected in fourth quarter 2017)
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers, effective January 1, 2018 (endorsement EU expected in fourth quarter 2017)
- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions, effective January 1, 2018 (endorsement EU expected in fourth quarter 2017)
- Amendments to IAS 40 Investment Property – Transfers of Investment Property<sup>3</sup>, effective January 1, 2018 (endorsement EU expected in fourth quarter 2017)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration<sup>3</sup>, effective January 1, 2018 (endorsement EU expected in fourth quarter 2017)
- Annual Improvements to IFRSs 2014-2016 Cycle (issued December 2016), effective January 1, 2017 and January 1, 2018 (endorsement EU expected in fourth quarter 2017)
- IFRIC 23 Uncertainty over Income Tax Treatments, effective January 1, 2019 (endorsement EU expected in 2018)

For IFRS 15 the Group will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group uses the five-step model framework and identified the main contracts with customers, identified performance obligations, determined the transaction prices, allocated the transaction price to the performance obligations. The Group recognizes revenue when the performance obligations are satisfied. After reviewing the main part of the customer contracts no significant changes are identified. However the screening of sales contracts has not completely finished yet and the estimated impact has not yet been audited by the external auditor, the Group is not able yet to report the quantitative impact of the new standard. The Group will report the estimated impact of IFRS 15 in the annual report of 2017.

The Group leases office buildings, warehouses, machinery and equipment and cars. For the half year ending June 30, 2017 the Group recognizes an expense in the income statement of EUR 19.5 million. The future minimum lease payments relating these assets amounts to EUR 158.0 million as per June 30, 2017. Under IFRS 16 the most of these contracts classify as leases because the Group has the right to control the use of the underlying assets. Under IFRS 16 the discounted value of minimum lease payments relating these contracts will be recorded as Non- current assets and the corresponding lease liability will be recorded as a liability. Besides the lease expenses will be transferred from the Other operating expenses to Depreciation, Amortization and impairments and Finance expenses. The Group is reviewing the lease contracts, identifying proper measurements and establishing the transition method. At this moment the Group is not able to make a proper and reliable assessment of the quantitative impact of the new standard.

The Group is reviewing the impact of IFRS 9 Financial Instruments (issued in 2014), effective 1 January 2018 and other standards.

## 15 Subsequent events

On July 25 Refresco announced the signing of a definitive agreement with Cott to acquire Cott's bottling activities for USD 1.25 billion, creating the world's largest independent bottler with leadership in Europe and North America. Included in the purchase price is a tax asset of USD 75 million. Cott's bottling activities consist of 24 production sites in North America and 5 in the UK. It is a business with 2016 revenues of USD 1.7 billion (US GAAP), an adjusted EBITDA of USD 136.5 million (US GAAP), an estimated volume of 4.3 billion liter and strong cash flow. The acquisition anticipates the expected retail brands market growth in the US driven by the expansion of hard discounters, expanding footprint of online retailers and macro factors enabling retail brands growth. The acquisition will be fully financed with Term loan B fully underwritten by existing key banks. The company intends to issue €200 million in shares at the earliest opportunity. The transaction is expected to close in the second half of 2017.

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. Given the recent timing of the transaction the Group is unable to provide the information regarding acquired assets and liabilities and revenues and profits as if the transaction would have been effected at January 1, 2017. An update will be provided in Q4 2017.

## Executive Board's statement on the interim consolidated financial statements for the six months ended June 30, 2017

The Executive Board of Refresco Group N.V. hereby declares that, to the best of their knowledge, the financial statements in this Half year report 2017, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" give a true and fair view of the Group's assets and liabilities, financial position at June 30, 2017, and of the result of the Group's consolidated operations for the first half year of 2017 and the Interim Executive Board Report first half year 2017 includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

**Rotterdam, August 9, 2017**  
**Executive Board**

Hans Roelofs – Chief Executive Officer

Aart Duijzer – Chief Financial Officer

Vincent Delozière – Chief Operational Officer Europe

## Review report

To: the Shareholders and Supervisory Board of Refresco Group N.V.

### Introduction

We have reviewed the accompanying interim consolidated financial statements for the six month period ended 30 June 2017 of Refresco Group N.V., Rotterdam, which comprise the interim consolidated income statement and the interim consolidated statement of other comprehensive income for the six month period ended 30 June 2017, the interim consolidated balance sheet as at 30 June 2017, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six month period ended 30 June 2017, and the notes comprising a summary of the significant accounting policies and other explanatory information.

The executive board is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

### Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements for the six month period ended 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

### Corresponding figures not reviewed

We have not reviewed the 'interim financial information' 2016. Consequently, we have not reviewed the corresponding figures included in the interim consolidated income statement and in the interim consolidated statements of other comprehensive income, changes in equity and cash flows and the related notes.

Rotterdam, August 9, 2017

Ernst & Young Accountants LLP

Signed by M. Bangma-Tjaden

# Refresco Financial review 2016



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# Consolidated income statement

For the year ended December 31, 2016

(x 1 million euro)	Note	December 31, 2016	December 31, 2015
<b>Revenue</b>	<b>4.2</b>	<b>2,107.4</b>	<b>2,016.4</b>
Other income	4.3	0.4	0.5
Raw materials and consumables used	4.4	(1,191.8)	(1,148.3)
Employee benefits expense	4.5	(243.9)	(221.7)
Depreciation, amortization and impairments	4.6	(87.6)	(84.5)
Other operating expenses	4.7	(455.2)	(451.9)
<b>Operating profit</b>		<b>129.3</b>	<b>110.5</b>
Finance income	4.8	0.1	0.4
Finance expense	4.8	(18.8)	(50.3)
<b>Net finance costs</b>		<b>(18.7)</b>	<b>(49.9)</b>
<b>Profit/(loss) before income tax</b>		<b>110.6</b>	<b>60.6</b>
Income tax (expense)/benefit	4.9	(29.1)	(18.8)
<b>Profit/(loss) for the year</b>		<b>81.5</b>	<b>41.8</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		81.5	42.2
Non-controlling interest		–	(0.4)
<b>Profit/(loss) for the year</b>		<b>81.5</b>	<b>41.8</b>
<b>Earnings per share</b>			
Basic and diluted profit for the year attributable to ordinary equity holders of the parent	5.9	1.00	0.45
Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	5.9	1.00	0.45
<b>Pro forma earnings per share*</b>			
Pro forma basic and diluted profit for the year attributable to ordinary equity holders of the parent	5.9	1.00	0.53
Pro forma basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	5.9	1.00	0.53

\* The pro forma earnings per share are presented to show the development in the earnings per share after adjustment for the change in capital structure in 2015. See note 5.9.

The notes on page 67 to page 118 are an integral part of these consolidated financial statements.

# Consolidated statement of other comprehensive income

For the year ended December 31, 2016

(x 1 million euro)	Note	December 31, 2016	December 31, 2015
<b>Profit/(loss)</b>		<b>81.5</b>	<b>41.8</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligations	5.9	(3.3)	(5.1)
Income tax (expenses)/benefits	5.9	1.1	1.2
<b>Total</b>		<b>(2.2)</b>	<b>(3.9)</b>
<b>Items that may be subsequently reclassified to profit or loss</b>			
Cashflow hedges	5.9	2.0	(3.7)
Foreign currency translation differences for foreign operations	5.9	(30.6)	21.4
Income tax (expenses)/benefits	5.9	1.7	1.2
<b>Total</b>		<b>(26.9)</b>	<b>18.9</b>
<b>Other comprehensive income/(loss)</b>		<b>(29.1)</b>	<b>15.0</b>
<b>Total comprehensive income/(loss)</b>		<b>52.4</b>	<b>56.8</b>
<b>Attributable to:</b>			
Owners of the Company		52.4	57.2
Non-controlling interest		–	(0.4)
<b>Total comprehensive income/(loss)</b>		<b>52.4</b>	<b>56.8</b>

The notes on page 67 to page 118 are an integral part of these consolidated financial statements.

# Consolidated balance sheet

As at December 31, 2016

(x 1 million euro)	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Property, plant and equipment	5.1	632.0	526.4
Intangible assets	5.2	548.9	445.7
Other investments	5.3	3.1	3.2
Deferred income tax	5.4	9.5	8.6
<b>Total non-current assets</b>		<b>1,193.5</b>	<b>983.9</b>
Inventories	5.5	242.9	206.6
Derivative financial instruments	3.1.1	10.5	4.1
Current income tax receivable		0.3	0.7
Trade and other receivables	5.6	377.7	349.2
Cash and cash equivalents	5.7	139.1	95.7
<b>Total current assets</b>		<b>770.5</b>	<b>656.3</b>
Assets classified as held for sale	5.8	–	0.9
<b>Total assets</b>		<b>1,964.0</b>	<b>1,641.1</b>
<b>Equity</b>			
Issued share capital		9.7	9.7
Share premium		533.0	533.0
Other reserves		(23.0)	6.1
Retained earnings		(62.7)	(77.2)
Result for the year		81.5	42.2
<b>Total equity</b>	5.9	<b>538.5</b>	<b>513.8</b>
<b>Liabilities</b>			
Loans and borrowings	5.10	749.7	549.0
Derivative financial instruments	3.1.3	11.9	10.2
Employee benefits provisions	5.11	46.4	32.3
Other provisions	5.12	1.6	3.8
Deferred income tax	5.4	23.5	9.3
<b>Total non-current liabilities</b>		<b>833.1</b>	<b>604.6</b>
Loans and borrowings	5.10	11.1	4.2
Derivative financial instruments	3.1.3	–	0.6
Trade and other payables	5.13	554.7	499.3
Current income tax liabilities		22.6	14.4
Provisions	5.12	4.0	4.2
<b>Total current liabilities</b>		<b>592.4</b>	<b>522.7</b>
<b>Total liabilities</b>		<b>1,425.5</b>	<b>1,127.3</b>
<b>Total equity and liabilities</b>		<b>1,964.0</b>	<b>1,641.1</b>

The notes on page 67 to page 118 are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

For the year ended December 31, 2016

(x 1 million euro)	Issued share capital	Share premium	Other reserves	Retained earnings	Result for the period	Total	Non-control- ling interest	Total equity
<b>Balance as at January 1, 2016</b>	<b>9.7</b>	<b>533.0</b>	<b>6.1</b>	<b>(77.2)</b>	<b>42.2</b>	<b>513.8</b>	<b>–</b>	<b>513.8</b>
Other comprehensive income/(loss)	–	–	(29.1)	–	–	(29.1)	–	(29.1)
Profit/(loss)	–	–	–	–	81.5	81.5	–	81.5
<b>Total comprehensive income/(loss)</b>	<b>–</b>	<b>–</b>	<b>(29.1)</b>	<b>–</b>	<b>81.5</b>	<b>52.4</b>	<b>–</b>	<b>52.4</b>
<b>Appropriation of result</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>42.2</b>	<b>(42.2)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Dividends paid				(27.7)		(27.7)		(27.7)
<b>Total transactions with owners recognized directly in equity</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(27.7)</b>	<b>–</b>	<b>(27.7)</b>	<b>–</b>	<b>(27.7)</b>
<b>Balance as at December 31, 2016</b>	<b>9.7</b>	<b>533.0</b>	<b>(23.0)</b>	<b>(62.7)</b>	<b>81.5</b>	<b>538.5</b>	<b>–</b>	<b>538.5</b>
<b>Balance as at January 1, 2015</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>
Other comprehensive income/(loss)	–	–	15.0	–	–	15.0	–	15.0
Profit/(loss)	–	–	–	–	42.2	42.2	(0.4)	41.8
<b>Total comprehensive income/(loss)</b>	<b>–</b>	<b>–</b>	<b>15.0</b>	<b>–</b>	<b>42.2</b>	<b>57.2</b>	<b>(0.4)</b>	<b>56.8</b>
<b>Appropriation of result</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>38.6</b>	<b>(38.6)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Share capital change								
nominal value	3.0	(3.0)	–	–	–	–	–	–
Share capital issued	0.8	99.2	–	–	–	100.0	–	100.0
Incremental costs new shares		(3.9)	–	–	–	(3.9)	–	(3.9)
Buy non-controlling interest	–	–	–	2.0	–	2.0	(2.4)	(0.4)
<b>Total transactions with owners recognized directly in equity</b>	<b>3.8</b>	<b>92.3</b>	<b>–</b>	<b>2.0</b>	<b>–</b>	<b>98.1</b>	<b>(2.4)</b>	<b>95.7</b>
<b>Balance as at December 31, 2015</b>	<b>9.7</b>	<b>533.0</b>	<b>6.1</b>	<b>(77.2)</b>	<b>42.2</b>	<b>513.8</b>	<b>–</b>	<b>513.8</b>

For notes on equity a reference is made to 5.9.

The notes on page 67 to page 118 are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

For the year ended December 31, 2016

(x 1 million euro)	Note	December 31, 2016	December 31, 2015
<b>Profit/(loss) after tax including discontinued operations</b>		<b>81.5</b>	<b>41.8</b>
<b>Adjustments for:</b>			
Depreciation, amortization and impairments	4.6	87.6	84.5
Net change in fair value derivative financial instruments		(0.6)	1.4
Net finance costs	4.8	18.7	49.9
(Gain)/loss on sale of property, plant and equipment	4.3	(0.4)	(0.3)
Income tax expense/(benefit)	4.9	29.1	18.8
Movement in employee benefit provisions and other provisions	5.11/5.12	(2.3)	(0.1)
Pension plan amendment		–	(8.0)
<b>Cash flow from operating activities before changes in working capital</b>		<b>213.6</b>	<b>188.0</b>
<b>Changes in:</b>			
Inventories	5.5	(27.6)	(15.4)
Trade and other receivables	5.6	(15.7)	38.4
Trade and other payables	5.13	25.0	(10.9)
<b>Total change in working capital</b>		<b>(18.3)</b>	<b>12.1</b>
Interest received		0.1	0.4
Interest paid		(16.8)	(34.3)
Early repayment fee		–	(13.3)
Income taxes paid		(22.1)	(23.0)
<b>Net cash generated from operating activities</b>		<b>156.5</b>	<b>129.9</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	5.1	1.4	2.7
Purchase of property, plant and equipment	5.1	(81.4)	(84.2)
Purchase of intangible assets	5.2	(2.7)	(2.0)
Purchase/sale of other investments	5.8	0.1	2.5
Acquisition of subsidiaries, net cash acquired	6.1	(138.0)	–
<b>Net cash used in investing activities</b>		<b>(220.6)</b>	<b>(81.0)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	5.10	197.5	519.1
Repayment of loans and borrowings	5.10	(65.5)	(665.5)
Proceeds of new issued shares		–	100.0
Incremental costs on issue new shares		–	(3.9)
Dividend payment		(27.3)	–
<b>Net cash (used in)/from financing activities</b>	<b>5.8</b>	<b>104.7</b>	<b>(50.3)</b>
<b>Net cash (used in)/from operating, investing and financing activities</b>		<b>40.6</b>	<b>(1.4)</b>
Translation adjustment		(4.5)	0.5
<b>Movement in cash and cash equivalents</b>		<b>36.1</b>	<b>(0.9)</b>
Cash and cash equivalents as at January 1	5.7	95.7	96.6
<b>Cash and cash equivalents as at December 31</b>	<b>5.7</b>	<b>139.1</b>	<b>95.7</b>
<b>Bank overdraft</b>		<b>(7.3)</b>	<b>–</b>
<b>Cash movement</b>		<b>36.1</b>	<b>(0.9)</b>

The cash flow statement is prepared according the indirect method.

The notes on page 67 to page 118 are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

## 1 GENERAL

### 1.1 Reporting entity

Refresco Group N.V. ('Refresco Group' or the 'Company' or, together with its group companies, the 'Group') is domiciled in the Netherlands, with its registered office at Fascinatio Boulevard 270, 3065 WB Rotterdam, trade register number 24395416 whose shares are publicly traded. The companies in note 3.1 of the company only financial statements have all been included in the consolidated financial statements.

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 followed by the United States.

### 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 March 8, 2017 and will be adopted by the Annual General Meeting of Shareholders on May 9, 2019.

The Company financial statements are part of the 2016 financial statements of Refresco Group N.V.

#### 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, 2016. 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 profit or loss. 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), US (USD) 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 profit or loss 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 profit or loss. 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 profit or loss are also recognized in OCI or profit or loss, 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 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 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 2.17.

**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 other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement immediately.

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 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.

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 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 other comprehensive income and is recognized in accordance with the above-mentioned policy when the transaction occurs.

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 for which the expected settlement is greater than 12 months after the balance sheet date.

#### 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.

#### 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.

### 2.4 Share capital

#### Ordinary share capital

Ordinary 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 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 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 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 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 profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Property, plant and equipment and intangible assets are not depreciated or amortized 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 coordinated 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 profit or loss after tax from discontinued operations in the statement of profit or 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.

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 profit or loss 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 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.

### 2.15 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.

### 2.16 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.

### 2.17 Finance income and expense

Finance income comprises interest income on bank deposits and fair value gains on interest 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.

### 2.18 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 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.

## 2.19 New standards and interpretations

The following new standards and amendments became effective as of 1 January 2016:

- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization, effective 1 January 2016
- Amendments to IFRS 11 - Accounting for Acquisition of Interests in Joint Operations, effective 1 January 2016
- Amendments to IAS 16 and IAS 41- Agriculture: Bearer Plants, effective 1 January 2016
- Amendments to IAS 27- Equity Method in Separate Financial Statements, effective 1 January 2016
- Annual Improvements to IFRSs 2012-2014 Cycle, effective 1 January 2016
- Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception, effective 1 January 2016
- Amendments to IAS 1 – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Annual Improvements to IFRSs 2010-2012 Cycle (issued December 2013), effective 1 February 2015

These standards and amendments do not have a material impact on the Group's consolidated financial statements.

The following standards are issued but not yet effective as of 31 December 2016:

- IFRS 9 Financial Instruments (issued in 2014), effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- IFRS 16 Leases, effective 1 January 2019
- Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses, effective 1 January 2017
- Amendments to IAS 7 - Disclosure Initiative, effective 1 January 2017

- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018
- Amendments to IAS 40 Investment Property – Transfers of Investment Property<sup>3</sup>, effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration<sup>3</sup>, effective 1 January 2018
- Annual Improvements to IFRSs 2014-2016 Cycle (issued December 2016), effective 1 January 2017 and 1 January 2018

The Group is reviewing the impact of these standards and amendments on the Group's consolidated financial statements.

For IFRS 15 the Group will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group uses the five-step model framework and expect no difficulties in identifying contracts with customers, identifying performance obligations, determining the transaction prices, allocate the transaction price to the performance obligations and revenue recognition when the Group satisfies the performance obligations. The Group expects for the main part of the customer contract no significant changes. The Group is reviewing customer contracts for presence of variable considerations such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and/or any other compensations received from clients. The Group is not able to make a proper and reliable assessment of the quantitative impact of the new standard. The Group will report the estimated impact of IFRS 15 on the financials in the second quarter of 2017.

The Group leases office buildings, warehouses, machinery and equipment and cars. For the year 2016 the Group recognizes an expense in the income statement of EUR 34.7 million and reports a contingent liability relating these assets of EUR 145.4 as per December 31, 2016 (see note 6.2). Under IFRS 16 the most of these contracts classify as leases because the Group has the right to control the assets. Under IFRS 16 the asset value of these assets will be recorded as Property, plant and equipment and the corresponding lease liability will be recorded as a liability. Besides the lease expenses will be transferred from the Other operating expenses to Depreciation, Amortization and impairments and Finance expenses. The Group is reviewing the lease contracts, identifying proper measurements and establishing the transition method. At this moment the Group is not able to make a proper and reliable assessment of the quantitative impact of the new standard.



## 2.20 Segment reporting

Refresco's operating segments are Europe and US that engage in business activities from which they earn revenues and incur expenses and whose operating results are regularly reviewed by the Executive Board, being the Chief Operating Decision Maker, to make decisions about resources to be allocated to the segments and to assess their performance.

Europe is centrally organized to maximize 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 use its European footprint for reduction of production and transportation costs, and to be close to local clients, the segment Europe has seven regionally-focused business units, which focus on (local) sales and production.

US is centrally organized, with the headquarter in Tulsa, Oklahoma and has three regionally-focused business units, which focus on (local) sales and production.

The segments' performance is evaluated against several measures, of which operating income is the most important. Intersegment sales are executed under normal commercial terms and conditions that would also be available to unrelated third parties. Net sales are attributed to geographic regions based on the location of stores.

The segment reporting is disclosed in note 4.1 and the entity-wide disclosures 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:

(x 1 million euro)		Carrying amount	
	Note	2016	2015
Non-current investments	5.3	3.1	3.2
Trade and other receivables	5.6	377.7	349.2
Derivative financial instruments	5.3	10.5	4.1
Cash and cash equivalents	5.7	139.1	95.7
Bank overdrafts	5.7	(7.3)	–
		<b>523.1</b>	<b>452.2</b>

The maximum exposure to credit risk for trade and other receivables at the reporting date by currency is as follows:

(x 1 million euro)		Carrying amount	
		2016	2015
Euro-zone countries (EUR)		275.2	245.2
UK (GBP)		76.1	84.7
Poland (PLN)		13.5	19.3
USA (USD)		12.9	–
		<b>377.7</b>	<b>349.2</b>

Ageing trade and other receivables and impairment losses:

(x 1 million euro)	2016		2015	
	Gross	Impairment	Gross	Impairment
Not past due	343.2	–	328.9	–
Past due 0 – 30 days	29.3	–	15.2	–
Past due 31 – 60 days	4.5	–	3.3	–
Past due more than 60 days	6.2	5.5	7.0	5.2
	<b>383.2</b>	<b>5.5</b>	<b>354.4</b>	<b>5.2</b>

The movements in the impairment loss in respect of trade and other receivables during the year were as follows:

(x 1 million euro)	2016	2015
January 1	5.2	5.0
Impairment loss recognized	0.3	1.7
Acquisitions	0.2	–
Write-off	(0.2)	(1.5)
<b>December 31</b>	<b>5.5</b>	<b>5.2</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, which were unknown on the balance sheet date, the cash flows have been estimated on the basis of rates prevailing on the balance sheet date.

December 31, 2016

(x 1 million euro)	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>									
Syndicated loan	727.8	784.4	6.3	6.3	12.6	12.6	12.6	734.0	–
Mortgage	25.3	31.1	1.6	1.6	3.3	3.3	3.3	3.3	14.7
Revolving credit facility	–	3.6	0.4	0.4	0.8	0.8	0.8	0.4	–
Capitalized finance costs	(7.0)	–	–	–	–	–	–	–	–
Finance lease and other loans	7.4	7.6	0.6	0.6	1.2	1.2	1.2	1.4	1.4
Trade and other payables	554.7	554.7	554.7	–	–	–	–	–	–
Current income tax liabilities and short term provisions	26.6	26.6	26.6	–	–	–	–	–	–
	<b>1,334.8</b>	<b>1,408.0</b>	<b>590.2</b>	<b>8.9</b>	<b>17.9</b>	<b>17.9</b>	<b>17.9</b>	<b>739.1</b>	<b>16.1</b>
<b>Derivative financial liabilities</b>									
Interest rate swaps	11.9	15.7	2.4	2.6	3.8	4.1	2.6	0.2	–

The Group has an undrawn revolving credit facility maturing in 2021 of EUR 150.0 million and a credit facility of GBP 2.5 million (EUR 2.9 million) in the UK. The contractual cash flows for the revolving credit facility relate to the commitment fee of the revolving credit facility of EUR 150 million.

## December 31, 2015

(x 1 million euro)	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>									
Syndicated loan	522.0	567.8	5.2	5.2	10.4	10.4	10.4	526.2	–
Mortgage	32.6	40.4	1.9	1.9	3.9	3.9	3.9	3.9	21.0
Revolving credit facility	–	–	–	–	–	–	–	–	–
Capitalized finance costs	(6.0)	–	–	–	–	–	–	–	–
Finance lease and other loans	4.6	4.8	0.4	0.4	0.3	0.6	0.6	0.6	1.9
Trade and other payables	499.3	499.3	499.3	–	–	–	–	–	–
Current income tax liabilities and short term provisions	18.6	18.6	18.6	–	–	–	–	–	–
	<b>1,071.1</b>	<b>1,130.9</b>	<b>525.4</b>	<b>7.5</b>	<b>14.6</b>	<b>14.9</b>	<b>14.9</b>	<b>530.7</b>	<b>22.9</b>
<b>Derivative financial liabilities</b>									
Interest rate swaps	10.2	14.1	1.6	1.6	3.2	2.8	2.8	1.9	–

## 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.

In order to minimize the impact of accounting mismatches in the profit or loss account, 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 9.7 million debit (2015: EUR 4.1 million debit).

The Group records a hedge reserve of EUR 5.0 million profit net of deferred taxes in equity (2015: EUR 1.6 million profit) relating to the effective part of the intrinsic value changes of the foreign currency option contracts and the fair value of the forward contracts. During 2016 and 2015 no amounts were recorded in raw material costs due to ineffectiveness.

The amounts deferred in equity at year-end are expected to occur and to affect profit or loss for majority in 2016. 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:

(x 1 million euro)	2016					2015				
	USD	USD	USD	USD	EUR	USD	USD	USD	USD	EUR
	EUR/USD	GBP/USD	PLN/USD	Total USD	GBP/EUR	EUR/USD	GBP/USD	PLN/USD	Totaal USD	GBP/EUR
Trade payables	39.4	22.9	0.3	62.6	11.3	33.9	13.0	1.1	48.0	22.0
Estimated forecast purchases	94.5	49.8	5.1	149.4	62.4	89.8	20.3	4.2	114.3	28.3
<b>Gross exposure</b>	<b>133.9</b>	<b>72.7</b>	<b>5.4</b>	<b>212.0</b>	<b>73.7</b>	<b>123.7</b>	<b>33.3</b>	<b>5.3</b>	<b>162.3</b>	<b>50.3</b>
Forward exchange contracts/ currency option contracts	(92.6)	(44.6)	(5.1)	(142.3)	(56.7)	(98.6)	(27.4)	(4.2)	(130.3)	(44.1)
<b>Net exposure</b>	<b>41.3</b>	<b>28.1</b>	<b>0.3</b>	<b>69.7</b>	<b>17.0</b>	<b>25.1</b>	<b>5.9</b>	<b>1.1</b>	<b>32.0</b>	<b>6.2</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:

Value of EUR 1	Average		Year-end	
	2016	2015	2016	2015
USD	1.11	1.10	1.06	1.09
GBP	0.82	0.73	0.86	0.73
PLN	4.37	4.18	4.42	4.26

### 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 profit or loss by the amounts shown below.

#### December 31, 2016

(x 1 million euro)	EUR/USD		GBP/USD		GBP/EUR		PLN/USD		PLN/EUR	
	10% strength	10% weak	10% strength	10% weak	10% strength	10% weak	10% strength	10% weak	10% strength	10% weak
	Profit/(loss)		Profit/(loss)		Profit/(loss)		Profit/(loss)		Profit/(loss)	
Trade payables	3.4	(4.1)	2.0	(2.4)	1.0	(1.3)	–	–	0.9	(1.1)
Foreign currency hedge	(1.7)	1.6	(0.8)	1.0	(1.6)	1.3	(0.1)	0.1	–	–
<b>Effect profit/(loss) gross of tax</b>	<b>1.7</b>	<b>(2.5)</b>	<b>1.2</b>	<b>(1.4)</b>	<b>(0.6)</b>	<b>–</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.9</b>	<b>(1.1)</b>
	OCI debit/(credit)		OCI debit/(credit)		OCI debit/(credit)		OCI debit/(credit)		OCI debit/(credit)	
Foreign currency hedge	3.3	(5.7)	2.3	(2.8)	3.4	(2.8)	0.3	(0.2)	–	–
<b>Effect OCI net of tax</b>	<b>3.3</b>	<b>(5.7)</b>	<b>2.3</b>	<b>(2.8)</b>	<b>3.4</b>	<b>(2.8)</b>	<b>0.3</b>	<b>(0.2)</b>	<b>–</b>	<b>–</b>

#### December 31, 2015

(x 1 million euro)	EUR/USD		GBP/USD		GBP/EUR		PLN/USD		PLN/EUR	
	10% strength	10% weak	10% strength	10% weak	10% strength	10% weak	10% strength	10% weak	10% strength	10% weak
	Profit/(loss)		Profit/(loss)		Profit/(loss)		Profit/(loss)		Profit/(loss)	
Trade payables	2.8	(3.4)	1.1	(1.4)	–	–	0.1	(0.1)	–	–
Foreign currency hedge	(1.9)	1.7	(0.8)	1.0	1.6	(2.0)	0.2	(0.3)	–	–
<b>Effect profit/(loss) gross of tax</b>	<b>0.9</b>	<b>(1.7)</b>	<b>0.3</b>	<b>(0.4)</b>	<b>1.6</b>	<b>(2.0)</b>	<b>0.3</b>	<b>(0.4)</b>	<b>–</b>	<b>–</b>
	OCI debit/(credit)		OCI debit/(credit)		OCI debit/(credit)		OCI debit/(credit)		OCI debit/(credit)	
Foreign currency hedge	3.3	(5.7)	1.1	(1.4)	(1.8)	2.1	(0.1)	0.1	–	–
<b>Effect OCI net of tax</b>	<b>3.3</b>	<b>(5.7)</b>	<b>1.1</b>	<b>(1.4)</b>	<b>(1.8)</b>	<b>2.1</b>	<b>(0.1)</b>	<b>0.1</b>	<b>–</b>	<b>–</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.

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 2015 and 2016 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 (11.9) million (2015: EUR (10.2) million). The effective part of the fair value changes of the interest rate swaps amounts to EUR 5.0 million loss net of deferred taxes in Other comprehensive income (2015: EUR 3.1 million loss).

In 2016 no amount (2015: EUR 0.1 million) was moved from the hedge reserve to financing costs. The amounts deferred in equity at year-end are expected to affect financing costs within the coming 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:

(x 1 million euro)	Note	Carrying amount	
		2016	2015
<b>Variable rate instruments</b>			
Syndicated term loan and Mortgage loan	5.10	753.1	554.6
Non-current investments	5.3	(3.1)	(3.2)
Net cash as per December 31, 2016	5.7	(131.8)	(95.7)
		<b>618.2</b>	<b>455.7</b>
Notional amount interest rate swaps per year-end (floating to fixed)		(556.3)	(495.9)
Net position excluding cash		61.9	(40.2)

As at balance sheet date, interest rates were fixed on approximately 90.0% of the financial liability positions including the cash position as per balance date. The Group policy is to hedge 90 to 100% of the forecasted net interest rate risk, including a forecasted cash position. Per end of 2016 the forecasted position is in line with this policy.

### 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.

### December 31, 2016

(x 1 million euro)	Profit/(loss)		OCI debit/(credit)	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
Net interest (paid)/received on variable rate instruments	(0.1)	(4.1)	–	–
Change fair value interest rate swaps	1.4	(1.4)	(11.6)	11.7
<b>Total</b>	<b>1.3</b>	<b>(5.5)</b>	<b>(11.6)</b>	<b>11.7</b>

December 31, 2015

(x 1 million euro)

	Profit/(loss)		OCI debit/(credit)	
	100 basis points	100 basis points	100 basis points	100 basis points
	increase	decrease	increase	decrease
Net interest (paid)/received on variable rate instruments	(5.5)	0.2	–	–
Change fair value interest rate swaps	5.0	(5.0)	13.1	(13.0)
<b>Total</b>	<b>(0.5)</b>	<b>(4.8)</b>	<b>13.1</b>	<b>(13.0)</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. The Group centralizes the procurement of raw materials, packaging materials and indirect spend for Europe. 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 the Group to stay abreast of the current situation in the raw materials markets and maintain its gross margins, it 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 fair value of this raw material derivative is recognized in profit and loss. The fair value per year-end is EUR 0.8 million (2015: EUR (0.6) 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

The policy of the Group is to maintain a sufficient capital base 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.

For the purpose of the Group's objective to maintain a sufficient capital base, the Group manages the Net debt ratio calculated as the Net debt divided by the last twelve months Adjusted EBITDA.

(x 1 million euro)	Note	2016	2015
Interest-bearing loans and borrowings long term	5.10	749.7	549.0
Interest-bearing loans and borrowings short term		11.1	4.2
Less: cash and short term deposits	5.7	(139.1)	(95.7)
<b>Net debt</b>		<b>621.7</b>	<b>457.5</b>
<b>Equity</b>	<b>5.9</b>	<b>538.5</b>	<b>513.8</b>
Operating result (EBIT)		129.3	110.5
Amortization, Depreciation, Impairment PP&E & IFA		87.6	84.5
<b>EBITDA</b>		<b>216.9</b>	<b>195.0</b>
Exceptional cost adjustment		5.1	21.2
<b>Last twelve months Adjusted EBITDA</b>		<b>222.0</b>	<b>216.2</b>
<b>Net debt ratio</b>		<b>2.8</b>	<b>2.1</b>

The Group calculates for the syndicated term loan agreement a more advanced Net debt ratio based on the agreement and amounts to 2.6 as per December 31, 2016.

The Loan agreement requires that this Net debt ratio (Leverage ratio) will not exceed: (a) in the case of each Relevant Period ending on or before 31 December 2018, 4.00:1.00; or (b) in the case of each Relevant Period ending after 31 December 2018, 3.75:1.00.

The mark-up for interest payable for the syndicated term loan and revolving credit facility is also depended on the Net debt ratio. See note 5.10.

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.

### 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.

### Levels of 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 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 carrying amounts of other financial assets and liabilities approximate their fair value as they have variable interest rates and the impact of discounting is therefore not significant.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2016. See note 5.8 for disclosures of assets held for sale that are measured at fair value.

#### December 31, 2016

(x 1 million euro)	Level 1	Level 2	Level 3	Total
FX instruments (debit)	–	9.7	–	9.7
Commodity swaps (debit)	–	0.8	–	0.8
Interest rate swaps	–	(11.9)	–	(11.9)
<b>Total</b>	<b>–</b>	<b>(1.4)</b>	<b>–</b>	<b>(1.4)</b>

#### December 31, 2015

(x 1 million euro)	Level 1	Level 2	Level 3	Total
FX instruments (debit)	–	4.1	–	4.1
Commodity swaps	–	(0.6)	–	(0.6)
Interest rate swaps	–	(10.2)	–	(10.2)
<b>Total</b>	<b>–</b>	<b>(6.7)</b>	<b>–</b>	<b>(6.7)</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 used for the finance leases is 4.2% for 2016 (2015: 4.6%).

### 3.4 Offsetting financial assets and financial liabilities

The Group uses a cash pool structure to facilitate the central cash management function. The Group has the intention and the legal right to settle cash on a net basis.

December 31, 2016

(x 1 million euro)	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	148.2	(9.1)	139.1	–	–	139.1
<b>Liabilities</b>	(9.1)	9.1	–	–	–	–
<b>Total</b>	<b>139.1</b>	<b>–</b>	<b>139.1</b>	<b>–</b>	<b>–</b>	<b>139.1</b>

December 31, 2015

(x 1 million euro)	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	113.2	(17.5)	95.7	–	–	95.7
<b>Liabilities</b>	(17.5)	17.5	–	–	–	–
<b>Total</b>	<b>95.7</b>	<b>–</b>	<b>95.7</b>	<b>–</b>	<b>–</b>	<b>95.7</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.

#### Judgments

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 2016 the Board of Directors announced its decision to close the Nieszawa plant in Poland. The plant is not yet available for sale. Management considered that the criteria to be classified as held for sale are not met as per December 31, 2016.

### Segmentation

Refresco's management defines the operating segments Europe and US in the context of IFRS 8. Because of the high level of centralization and integration within Europe, the Group considers Europa as one segment. The core functions for Europe are performed at the headquarter in Rotterdam and the Group applies the Pan European approach to its Europe operations. The core functions for US are performed separately from the Europe operations.

### 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 goodwill

The group estimates the fair values of assets and liabilities acquired by acquisitions. This measurement is provisional and can be adjusted within 12 months after the date of each acquisition. The acquisitions are recorded in note 6.1.

### 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 Segment reporting

Refresco's operations are presented in two reportable segments Europe and US. In 2015 Refresco had one operating segment Europe. The accounting policies used for the segments are the same as the accounting policies used for the consolidated financial statements as described in note 2.

(x 1 million euro)	Note	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2015
		Europe	US	Refresco Group	Refresco Group
<b>Consolidated income statement</b>					
Revenue	4.2	2,068.5	38.9	2,107.4	2,016.4
Other income	4.3	0.4	–	0.4	0.5
Raw materials and consumables used	4.4	(1,177.6)	(14.2)	(1,191.8)	(1,148.3)
Employee benefits expense	4.5	(234.0)	(9.9)	(243.9)	(221.7)
Depreciation, amortization and impairments	4.6	(83.9)	(3.7)	(87.6)	(84.5)
Other operating expenses	4.7	(438.1)	(17.1)	(455.2)	(451.9)
<b>Operating profit</b>		<b>135.3</b>	<b>(6.0)</b>	<b>129.3</b>	<b>110.5</b>
<b>Net finance costs</b>		<b>(17.3)</b>	<b>(1.4)</b>	<b>(18.7)</b>	<b>(49.9)</b>
<b>Profit/(loss) before income tax</b>		<b>118.0</b>	<b>(7.4)</b>	<b>110.6</b>	<b>60.6</b>
Income tax (expense)/benefit	4.9	(31.2)	2.1	(29.1)	(18.8)
<b>Profit/(loss) for the year</b>		<b>86.8</b>	<b>(5.3)</b>	<b>81.5</b>	<b>41.8</b>
<b>Total asset value</b>		<b>1,856.6</b>	<b>185.5</b>	<b>1,964.0</b>	<b>1,641.1</b>
<b>Total liabilities</b>		<b>1,382.9</b>	<b>120.7</b>	<b>1,425.5</b>	<b>1,127.3</b>
<b>Additions and business combinations</b>					
Additions to property, plant and equipment, investment property, and intangible assets		81.5	6.3	87.8	80.8
Property, plant and equipment and intangible assets acquired through business combinations (including Goodwill)		109.4	127.4	236.8	–
<b>Depreciation, amortization and impairments</b>					
Depreciation of property, plant and equipment		79.9	3.5	83.4	81.1
Amortization of intangible assets		2.9	0.2	3.1	2.4
Impairment on tangible fixed assets		1.1	–	1.1	–
Impairment on assets held for sale		–	–	–	1.0
<b>Depreciation, amortization and impairments</b>		<b>83.9</b>	<b>3.7</b>	<b>87.6</b>	<b>84.5</b>

The total asset value of Europe and total liability of US includes an intercompany loan of EUR 78.1 million. The total revenue of the country of domicile amounts to EUR 594.8 million (2015: EUR 491.2 million). The total non-current assets of the country of domicile amounts to EUR 408.0 million (2015: EUR 340.0 million). The entity-wide disclosures have been included in note 5.1 and 5.2.

**4.2 Revenue**

<i>(x 1 million euro)</i>	2016	2015
Private label and own brands	1,623.6	1,654.0
Contract manufacturing	483.8	362.4
	<b>2,107.4</b>	<b>2,016.4</b>

The revenue by location of sales is set forth in the table below.

<i>(x 1 million euro)</i>	2016	2015
Benelux	506.1	410.2
Germany	414.2	439.7
France	315.4	312.4
Iberia	157.7	154.8
Italy	152.6	153.7
UK	378.6	377.0
Other	143.9	168.6
<b>Total Europe</b>	<b>2,068.5</b>	<b>2,016.4</b>
US	38.9	–
<b>Total Group</b>	<b>2,107.4</b>	<b>2,016.4</b>

The liters by location of sales are set forth in the table below.

<i>(x 1 liters million)</i>	2016	2015
Benelux	1,267.5	1,017.8
Germany	1,360.6	1,466.3
France	913.8	891.1
Iberia	581.1	571.5
Italy	837.4	860.3
UK	714.4	625.7
Other	528.2	662.8
<b>Total Europe</b>	<b>6,203.0</b>	<b>6,095.5</b>
US	259.3	–
<b>Total Group</b>	<b>6,462.3</b>	<b>6,095.5</b>

**4.3 Other income**

Other income relates entirely to gains and/or losses on sale of property, plant and equipment.

**4.4 Raw materials and consumables used**

<i>(x 1 million euro)</i>	2016	2015
Raw materials and consumables	801.6	719.9
Packaging materials	375.1	413.0
Product tax	15.1	15.4
	<b>1,191.8</b>	<b>1,148.3</b>

**4.5 Employee benefits expense**

<i>(x 1 million euro)</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Wages and salaries		194.5	183.5
Compulsory social security contributions		40.7	36.9
Pension contributions to defined contribution schemes		6.3	3.2
Pension costs of defined benefit schemes	5.11	2.4	5.0
Pension costs of defined benefit past service cost	5.11	–	(8.0)
Pension costs of defined benefit schemes other		–	1.1
		<b>243.9</b>	<b>221.7</b>

During 2016 the average number of fixed employees in the Group, in full-time equivalents ('FTEs'), was 4,465 (2015: 4,029), of which 3,782 (2015: 3,499) were employed outside the Netherlands.

Pension costs of defined benefit schemes 2015 includes an income of EUR 8.0 million relating to the expiration of the defined benefit pension arrangement in the Netherlands.

**4.6 Depreciation, amortization and impairments**

<i>(x 1 million euro)</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Depreciation of property, plant and equipment	5.1	83.4	81.1
Amortization of intangible assets	5.2	3.1	2.4
Impairment on tangible fixed assets	5.1	1.1	–
Impairment on assets held for sale	5.8	–	1.0
		<b>87.6</b>	<b>84.5</b>

In 2016 the impairment is related to land and buildings and machinery and equipment of the manufacturing site in Nieszawa (Poland).

In 2015 the impairment on asset held for sale is related to the impairment of the Heerlen (The Netherlands) plant based on a reassessment of the purchase price and clean-up cost. This plant was sold in 2016.

**4.7 Other operating expenses**

<i>(x 1 million euro)</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Freight charges		92.2	100.9
Other cost of sales		71.8	62.6
Promotion costs		5.1	5.7
Temporary staff		26.6	20.0
Other personnel costs		15.4	14.6
Rent and leasing of machinery and equipment	6.2	22.9	25.4
Maintenance		56.6	52.7
Energy		46.0	48.8
Advice and legal costs		9.9	26.8
Housing costs, including rental of buildings	6.2	18.3	16.5
Storage costs		35.6	32.7
Other operating costs		54.8	45.2
		<b>455.2</b>	<b>451.9</b>

Advice and legal costs includes EUR 2.4 million related to the business acquisitions as disclosed in note 6.1. In 2015 this balance included EUR 16.8 million related to the process to actively explore a new capital structure to support future growth and EUR 1.3 million cost relating the refinancing.

#### 4.8 Net finance costs

##### Net finance costs recognized in the income statement

(x 1 million euro)	2016	2015
Interest income	0.1	0.4
<b>Finance income</b>	<b>0.1</b>	<b>0.4</b>
Interest expense on financial liabilities measured with effective interest method	(17.1)	(31.1)
Early repayment fee Bond loan	–	(13.3)
Cost of borrowings	(1.6)	(7.4)
Change in fair value of derivatives recognized in profit and loss	(0.1)	1.5
<b>Finance costs</b>	<b>(18.8)</b>	<b>(50.3)</b>
<b>Net finance costs</b>	<b>(18.7)</b>	<b>(49.9)</b>

The net change in fair value of derivative financial instruments of EUR (0.1) million (2015: EUR 1.5 million) 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. The amount 2015 includes the release of EUR 5.8 million related to the former capitalized finance cost relating Senior secured Notes and former revolving credit facility.

(x 1 million euro)	2016	2015
<b>Initial capitalized amount</b>		
Syndicated external loans 2015	5.1	5.1
Revolving credit facility 2015	1.5	1.5
Syndicated external loans 2016	2.7	–
<b>Total</b>	<b>9.3</b>	<b>6.6</b>
<b>Capitalized amount</b>		
Financing costs capitalized as at January 1	6.0	6.8
Write-down of financing cost related to the Senior secured notes and former revolving credit facility	–	(5.8)
Financing costs syndicate loan agreement	2.7	6.6
Amortization	(1.7)	(1.6)
<b>Financing costs capitalized as at December 31</b>	<b>7.0</b>	<b>6.0</b>

##### Finance income and costs recognized in other comprehensive income

(x 1 million euro)	2016	2015
Foreign currency translation differences for foreign operations	(30.6)	21.4
Effective portion of changes in fair value of cash flow hedges	(2.5)	(0.1)
Tax effect	2.2	0.3
<b>Net finance income/(costs) recognized in other comprehensive income, net of tax</b>	<b>(30.9)</b>	<b>21.6</b>
Recognized in:		
Translation reserve	(28.4)	21.7
Hedging reserve	(2.5)	(0.1)
<b>Net finance income/(costs) recognized in other comprehensive income, net of tax</b>	<b>(30.9)</b>	<b>21.6</b>



**4.9 Income tax expense***(x 1 million euro)*

	2016	2015
<b>Current tax expense</b>		
Current income tax	(31.9)	(24.4)
Other taxes	(1.3)	(2.0)
Withholding taxes	(0.5)	(0.4)
	<b>(33.7)</b>	<b>(26.8)</b>
<b>Deferred tax expenses</b>		
Deferred income tax current year	4.5	7.2
Deferred income tax previous years	0.1	0.8
	<b>4.6</b>	<b>8.0</b>
<b>Total income tax (expense)/benefit</b>	<b>(29.1)</b>	<b>(18.8)</b>

*Reconciliation of effective tax rate**(x 1 million euro)*

	2016		2015	
		%		%
Result before tax	110.6		60.6	
Income tax based on the Group's blended tax rate	(29.1)	26.3%	(15.2)	25.0%
Non-deductible operational expenses	(1.1)	1.0%	(0.9)	1.5%
Non-deductible interest expenses	(1.0)	0.9%	(1.1)	1.8%
Investment allowances	1.4	(1.3%)	1.0	(1.7%)
Notional interest deduction	1.6	(1.4%)	0.1	(0.2%)
Non-deductible IPO related expenses	(0.7)	0.6%	(2.5)	4.1%
Participation related results	(0.1)	0.1%	(0.2)	0.3%
Tax rate change impact	0.1	(0.1%)	(0.9)	1.5%
(De)recognition (un)recognized deferred tax assets	0.2	(0.2%)	4.7	(7.8%)
Other taxes	(2.1)	1.9%	(2.9)	4.8%
Prior period taxes	1.1	(1.0%)	0.8	(1.3%)
Movement uncertain tax provision	–	0.0%	(1.6)	2.6%
Other reconciling items	0.6	(0.5%)	(0.1)	0.2%
<b>Total income tax (expense)/benefits</b>	<b>(29.1)</b>	<b>26.3%</b>	<b>(18.8)</b>	<b>31.0%</b>

The effective tax rate is 26.3% (2015: 31.0%), which is in line with the blended Group tax rate of 26.3% (2015: 25.0%). The effective tax rate is mainly explained by non-deductible transaction costs in the Netherlands and the US, non-deductible interest expenses in France and Germany and non-deductible operational costs in all jurisdictions. Furthermore, the effective tax rate is impacted by the rate change in Italy and Germany, other taxes to be paid in France and Italy. Finally, notional interest deduction in Belgium and Italy, investment allowances in several jurisdictions and the recognition of previously unrecognized deferred tax assets have a positive impact on the effective tax rate.

*Income tax recognized in other comprehensive income**(x 1 million euro)*

	2016	2015
Changes in tax on currency translation adjustment	2.2	0.3
Changes in tax on hedging reserve foreign currency and interest hedge instruments	(0.5)	0.9
Changes in tax on actuarial gains and losses in OCI	1.1	1.2
<b>Total income tax (expense)/benefit in other comprehensive income</b>	<b>2.8</b>	<b>2.4</b>

## 5 NOTES TO THE CONSOLIDATED BALANCE SHEET

### 5.1 Property, plant and equipment

<i>(x 1 million euro)</i>						
	Note	Land and buildings	Machinery and equipment	Other fixed assets	Under construction	Total
<b>Cost</b>						
January 1, 2015		307.7	504.6	46.7	34.6	893.6
Additions		5.3	30.4	2.7	40.4	78.8
Reclassifications		7.0	39.9	2.0	(52.2)	(3.3)
Acquired through business combinations		–	–	–	–	–
Disposals		–	(18.5)	(2.9)	–	(21.4)
Effect of movements in exchange rates		4.6	4.8	0.1	–	9.5
<b>December 31, 2015</b>		<b>324.6</b>	<b>561.2</b>	<b>48.6</b>	<b>22.8</b>	<b>957.2</b>
January 1, 2016		324.6	561.2	48.6	22.8	957.2
Additions		0.9	28.0	3.6	52.5	85.0
Reclassifications		5.5	42.5	1.1	(49.1)	–
Acquired through business combinations	6.1	35.5	68.5	7.0	6.4	117.4
Disposals		–	(16.2)	(2.5)	–	(18.7)
Effect of movements in exchange rates		(11.0)	(11.2)	0.2	0.2	(21.8)
<b>December 31, 2016</b>		<b>355.5</b>	<b>672.8</b>	<b>58.0</b>	<b>32.8</b>	<b>1,119.1</b>
<b>Depreciation and impairment losses</b>						
January 1, 2015		(56.9)	(286.1)	(27.1)	–	(370.1)
Depreciation for the year	4.6	(15.8)	(60.3)	(5.0)	–	(81.1)
Reclassification		1.0	(0.7)	1.6	–	1.9
Impairment	4.6	–	–	–	–	–
Disposals		–	18.2	2.9	–	21.1
Effect of movements in exchange rates		(0.3)	(2.2)	(0.1)	–	(2.6)
<b>December 31, 2015</b>		<b>(72.0)</b>	<b>(331.1)</b>	<b>(27.7)</b>	<b>–</b>	<b>(430.8)</b>
January 1, 2016		(72.0)	(331.1)	(27.7)	–	(430.8)
Depreciation for the year	4.6	(13.5)	(64.2)	(5.7)	–	(83.4)
Reclassification		(0.9)	(1.0)	1.9	–	–
Impairment	4.6	(0.5)	(0.6)	–	–	(1.1)
Disposals		–	15.9	2.5	–	18.4
Effect of movements in exchange rates		1.3	8.4	0.1	–	9.8
<b>December 31, 2016</b>		<b>(85.6)</b>	<b>(372.6)</b>	<b>(28.9)</b>	<b>–</b>	<b>(487.1)</b>
<b>Carrying amounts</b>						
January 1, 2015		250.8	218.5	19.6	34.6	523.5
December 31, 2015		252.6	230.1	20.9	22.8	526.4
December 31, 2016		269.9	300.2	29.1	32.8	632.0

**Impairment losses**

In 2016 the impairment is related to land and buildings and machinery and equipment of the manufacturing site in Nieszawa (Poland).

**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, 2016, the carrying amount of leased plant and machinery was EUR 4.5 million (2015: EUR 4.1 million).

**Collateral**

Collateral on the land and buildings in Bridgwater in the UK is given for the mortgage loan for an amount of EUR 57.1 million (2015: EUR 68.9 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, Poland and the US. 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*

<i>(x 1 million euro)</i>	<b>2016</b>	<b>2015</b>
Benelux	103.6	67.2
Germany	111.8	101.0
France	78.3	82.5
Iberia	58.4	51.6
Italy	75.5	77.3
UK	89.5	105.3
Other	44.3	41.5
<b>Total Europe</b>	<b>561.4</b>	<b>526.4</b>
US	70.6	–
<b>Total Group</b>	<b>632.0</b>	<b>526.4</b>

## 5.2 Intangible assets

<i>(x 1 million euro)</i>						
	Note	Goodwill	Brands and sales channels	Other	Under construction	Total
<b>Cost</b>						
January 1, 2015		439.9	7.6	15.8	0.4	463.7
Acquisitions through business combinations	6.1	–	–	–	–	–
Additions		–	–	1.2	0.8	2.0
Reclassifications		–	–	2.4	(1.0)	1.4
Effect of movements in exchange rates		16.9	–	–	–	16.9
<b>December 31, 2015</b>		<b>456.8</b>	<b>7.6</b>	<b>19.4</b>	<b>0.2</b>	<b>484.0</b>
January 1, 2016		456.8	7.6	19.4	0.2	484.0
Acquisitions through business combinations	6.1	107.6	11.8	–	–	119.4
Additions		–	–	1.5	1.2	2.7
Reclassifications		–	–	1.6	(1.2)	0.4
Effect of movements in exchange rates		(18.5)	0.7	(0.1)	–	(17.9)
<b>December 31, 2016</b>		<b>545.9</b>	<b>20.1</b>	<b>22.4</b>	<b>0.2</b>	<b>588.6</b>
<b>Amortization and impairment losses</b>						
January 1, 2015		(18.0)	(4.4)	(12.9)	–	(35.3)
Amortization for the year	4.6	–	(0.7)	(1.7)	–	(2.4)
Impairment losses	4.6	–	–	–	–	–
Reclassifications		–	–	–	–	–
Effect of movements in exchange rates		(0.6)	–	–	–	(0.6)
<b>December 31, 2015</b>		<b>(18.6)</b>	<b>(5.1)</b>	<b>(14.6)</b>	<b>–</b>	<b>(38.3)</b>
January 1, 2016		(18.6)	(5.1)	(14.6)	–	(38.3)
Amortization for the year	4.6	–	(0.9)	(2.2)	–	(3.1)
Impairment losses	4.6	–	–	–	–	–
Reclassifications		–	–	–	–	–
Effect of movements in exchange rates		1.7	–	–	–	1.7
<b>December 31, 2016</b>		<b>(16.9)</b>	<b>(6.0)</b>	<b>(16.8)</b>	<b>–</b>	<b>(39.7)</b>
<b>Carrying amounts</b>						
January 1, 2015		421.9	3.2	2.9	0.4	428.4
December 31, 2015		438.2	2.5	4.8	0.2	445.7
December 31, 2016		529.0	14.1	5.6	0.2	548.9

The net balance of reclassifications relates to assets which were classified as assets under construction in intangible fixed assets and reclassifications with Property, plant and equipment.

### 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:

<i>(x 1 million euro)</i>	2016	2015
Benelux	145.4	93.7
Germany	44.0	39.8
France	82.5	82.5
Iberia	35.7	35.7
Italy	25.0	25.0
UK	114.3	134.0
Poland	21.6	22.1
Finland	5.4	5.4
<b>Total Europe</b>	<b>473.9</b>	<b>438.2</b>
US	55.1	–
<b>Total Group</b>	<b>529.0</b>	<b>438.2</b>

The increase in goodwill in Benelux, Germany and US during 2016 relates to the business acquisitions. The decrease of the goodwill in UK relates to the foreign currency effect. The increase of the goodwill of US after acquisition relates to the foreign currency effect. Reference is made to 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 and the 3-year business plan covering the period 2017-2019, which is approved by the Executive and Supervisory Board. 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 of independent external sources. The growth rates are in a range of 0.5% to 2.3% 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, 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.

<i>Pre-tax discount rate (%)</i>	2016	2015
Benelux	8.2	8.3
Germany	8.6	9.1
France	10.0	9.3
Iberia	11.1	11.2
Italy	10.8	11.2
UK	9.5	8.9
Poland	10.1	9.5
Finland	7.7	8.3
US	12.4	–

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.

#### 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 different outcome of the impairment test.

The entity-wide disclosures for brands and sales channels, other and assets under construction.

<i>(x 1 million euro)</i>	2016	2015
Benelux	0.8	0.8
Germany	2.4	1.9
France	0.5	0.6
Iberia	0.5	0.1
Italy	2.2	2.7
UK	0.2	0.4
Other	1.0	1.0
<b>Total Europe</b>	<b>7.6</b>	<b>7.5</b>
US	12.3	–
<b>Total Group</b>	<b>19.9</b>	<b>7.5</b>

### 5.3 Other investments

#### Non-current investments

<i>(x 1 million euro)</i>	2016	2015
<b>Non-current investments</b>		
Deposits and other financial fixed assets	3.1	3.2
	<b>3.1</b>	<b>3.2</b>

#### Current investments

<i>(x 1 million euro)</i>	2016	2015
<b>Current investments</b>		
Derivatives used for foreign currency hedging	10.5	4.1
	<b>10.5</b>	<b>4.1</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:

<i>(x 1 million euro)</i>	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
Property, plant and equipment	0.7	0.5	(51.7)	(33.0)	(51.0)	(32.5)
Intangible assets	1.4	1.7	(5.1)	(0.5)	(3.7)	1.2
Inventories	0.6	0.4	–	–	0.6	0.4
Trade and other receivables	1.2	1.3	(1.6)	–	(0.4)	1.3
Loans and borrowings	2.6	0.5	(1.1)	(1.1)	1.5	(0.6)
Derivatives	2.2	1.2	(0.2)	–	2.0	1.2
Employee benefits provision	7.6	6.3	–	–	7.6	6.3
Other provisions	1.1	1.2	–	–	1.1	1.2
Current liabilities	4.0	2.1	–	(0.2)	4.0	1.9
Tax loss carry forward	24.3	18.9	–	–	24.3	18.9
<b>Deferred tax assets/(liabilities)</b>	<b>45.7</b>	<b>34.1</b>	<b>(59.7)</b>	<b>(34.8)</b>	<b>(14.0)</b>	<b>(0.7)</b>
Deferred tax asset on balance sheet					9.5	8.6
Deferred tax liability on balance sheet					(23.5)	(9.3)
<b>Net deferred tax assets/(liabilities)</b>					<b>(14.0)</b>	<b>(0.7)</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.

## December 31, 2016

(x 1 million euro)	January 1, 2016	Reported in profit and loss account	Reported in equity/OCI	Acquired in business combinations	Effect of movement in exchange rates	Other movements	December 31, 2016
Property, plant and equipment	(32.5)	4.8	–	(23.2)	(0.1)	–	(51.0)
Intangible assets	1.2	(0.1)	–	(4.5)	(0.3)	–	(3.7)
Inventories	0.4	0.2	–	–	–	–	0.6
Trade and other receivables	1.3	(0.3)	(1.4)	–	–	–	(0.4)
Loans and borrowings	(0.6)	(0.3)	2.3	–	0.1	–	1.5
Derivatives	1.2	0.1	0.9	–	(0.2)	–	2.0
Employee benefits provision	6.3	0.2	1.0	0.1	–	–	7.6
Other provisions	1.2	–	–	(0.1)	–	–	1.1
Current liabilities	1.9	0.9	–	1.0	0.2	–	4.0
Tax loss carry-forwards	18.9	(0.8)	–	6.2	–	–	24.3
<b>Deferred tax assets/(liabilities)</b>	<b>(0.7)</b>	<b>4.7</b>	<b>2.8</b>	<b>(20.5)</b>	<b>(0.3)</b>	<b>–</b>	<b>(14.0)</b>

## December 31, 2015

(x 1 million euro)	January 1, 2015	Reported in profit and loss account	Reported in equity/OCI	Acquired in business combinations	Effect of movement in exchange rates	Other movements	December 31, 2015
Property, plant and equipment	(38.3)	6.2	–	–	(0.6)	0.2	(32.5)
Intangible assets	1.0	0.2	–	–	–	–	1.2
Inventories	0.4	–	–	–	–	–	0.4
Trade and other receivables	0.9	0.4	–	–	–	–	1.3
Loans and borrowings	(1.4)	0.1	0.8	–	–	(0.1)	(0.6)
Derivatives	0.5	(0.2)	0.9	–	0.1	(0.1)	1.2
Employee benefits provision	6.4	(1.3)	1.2	–	–	–	6.3
Other provisions	1.1	0.1	–	–	0.1	(0.1)	1.2
Current liabilities	1.6	0.4	–	–	–	(0.1)	1.9
Tax loss carry-forwards	16.7	2.1	–	–	–	0.1	18.9
<b>Deferred tax assets/(liabilities)</b>	<b>(11.1)</b>	<b>8.0</b>	<b>2.9</b>	<b>–</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(0.7)</b>

## Tax losses carry-forwards

The Group recognizes deferred tax assets on loss carry forwards to the extent future taxable profits are expected and can be offset with these losses. These loss carry forwards amount to EUR 128.0 million (2015: EUR 122.5 million) as per December 31, 2016, of which EUR 17.4 million (2015: EUR 23.8 million) is not recognized. The deferred tax assets related to loss carry forwards expire in the following years:

(x 1 million euro)	2016	2015
After 2017 but not unlimited	5.5	5.8
Unlimited	23.8	17.9
<b>Total</b>	<b>29.3</b>	<b>23.7</b>
Recognized as deferred tax assets	24.3	18.9
Unrecognized	5.0	4.8

The increase in the deferred tax assets relating to tax attributes is mainly caused by the acquired US business. Furthermore, we have incurred additional losses in Poland. On the other hand, available tax attributes have been utilized in France, Spain, Germany, Italy, Finland and the UK. The unrecognized losses are attributable to the UK, where the available losses are ring-fenced for offsetting with future profits.



## 5.5 Inventories

<i>(x 1 million euro)</i>	2016	2015
Stock of raw materials and consumables	160.1	144.7
Stock of finished goods	82.8	61.9
	<b>242.9</b>	<b>206.6</b>

Inventory is shown net of a provision for obsolescence of EUR 12.2 million (2015: EUR 11.6 million).

## 5.6 Trade and other receivables

<i>(x 1 million euro)</i>	Note	2016	2015
Trade receivables		322.8	304.1
Other receivables, prepayments and accrued income		33.7	33.4
Other taxes and social security premiums		21.2	11.7
	<b>3.1.1</b>	<b>377.7</b>	<b>349.2</b>
Non-current		–	–
Current		377.7	349.2

The exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 3. The trade receivables are recorded net of an allowance for doubtful debts of EUR 5.5 million (2015: EUR 5.2 million).

## 5.7 Cash and cash equivalents

<i>(x 1 million euro)</i>	2016	2015
Bank balances	139.1	95.7
Deposits	–	–
<b>Cash and cash equivalents</b>	<b>139.1</b>	<b>95.7</b>
Bank overdrafts (included in loans and borrowings)	(7.3)	–
<b>Cash and cash equivalents in the consolidated cash flow statement</b>	<b>131.8</b>	<b>95.7</b>

Total amount blocked for bank guarantees and issued letters of credits is EUR 7.2 million (2015: EUR 10.1 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 Assets classified as held for sale

<i>(x 1 million euro)</i>	2016	2015
Assets classified as held for sale	–	0.9
Liabilities classified as held for sale	–	–
<b>Net balance</b>	<b>–</b>	<b>0.9</b>

The assets held for sale end of 2015 consist of property, plant and equipment in Heerlen (Netherlands). The plant is sold in 2016.

The movement of assets and liabilities held for sale is as follows:

<i>(x 1 million euro)</i>	2016	2015
Assets classified as held for sale as at January 1	0.9	3.8
Result on sale	(0.2)	–
Release provision	(0.2)	–
Impairment	–	(1.0)
Assets sold	(0.5)	(1.9)
<b>Assets held for sale</b>	<b>–</b>	<b>0.9</b>

## 5.9 Equity

### Share capital

Share capital as at December 31, 2016 consists of 81,160,915 ordinary shares of one class with a nominal value of EUR 0.12 each and the authorized capital consists of 300,000,000 ordinary shares with a nominal value of EUR 0.12 each.

<i>(x 1 million euro)</i>	2016	2015
Share capital as at January 1	9.7	5.9
Share capital change nominal value	–	3.0
Share capital issued	–	0.8
<b>Share capital as at December 31</b>	<b>9.7</b>	<b>9.7</b>

### Share premium

The share premium amounts to EUR 533.0 million as per December 2016 and shows no movement during the year. As per December 31, 2016 the share premium consists of ordinary shares only.

<i>(x 1 million euro)</i>	2016	2015
Share premium as at January 1	533.0	440.7
Increase share capital	–	(3.0)
Issue 6.8 million new shares	–	99.2
Incremental costs new shares	–	(3.9)
<b>Share premium as at December 31</b>	<b>533.0</b>	<b>533.0</b>

### 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:

<i>(x 1 million euro)</i>	Hedge reserve interest rate swaps	Hedge reserve FX instruments	Currency translation reserve	Actuarial gains and losses on pensions	Total
<b>Balance as at January 1, 2016</b>	(3.1)	1.6	23.7	(16.1)	6.1
Changes in cashflow hedge	(2.5)	4.5	–	–	2.0
Cumulative foreign exchange effects on goodwill	–	–	(19.3)	–	(19.3)
Translation results	–	–	(11.3)	–	(11.3)
Employee benefits mutation	–	–	–	(3.3)	(3.3)
Tax	0.6	(1.1)	2.2	1.1	2.8
<b>Balance as at December 31, 2016</b>	<b>(5.0)</b>	<b>5.0</b>	<b>(4.7)</b>	<b>(18.3)</b>	<b>(23.0)</b>
<b>Balance as at January 1, 2015</b>	(3.0)	4.3	2.0	(12.2)	(8.9)
Changes in cashflow hedge	(0.1)	(3.6)	–	–	(3.7)
Cumulative foreign exchange effects on goodwill	–	–	16.0	–	16.0
Translation results	–	–	5.4	–	5.4
Employee benefits mutation	–	–	–	(5.1)	(5.1)
Tax	–	0.9	0.3	1.2	2.4
<b>Balance as at December 31, 2015</b>	<b>(3.1)</b>	<b>1.6</b>	<b>23.7</b>	<b>(16.1)</b>	<b>6.1</b>

#### Retained earnings

<i>(x 1 million euro)</i>	2016	2015
Retained earnings as at January 1	(77.2)	(117.8)
Appropriation of result	42.2	38.6
Buy non-controlling interest	–	2.0
Dividend	(27.7)	–
<b>Retained earnings as at December 31</b>	<b>(62.7)</b>	<b>(77.2)</b>

#### Dividends

The Company and its shareholders have agreed in the Written resolution of the General Meeting of Shareholders dated March 16, 2015 that the Company's intension is to apply a dividend pay-out policy that targets to pay out 35% to 50% of its annual adjusted net income. In 2016 EUR 0.34 per share was paid, being 35.6% of the annual adjusted net income.

At the Annual General Meeting on May 9, 2017, Refresco's Executive Board will propose a cash dividend of EUR 0.38 per share for the financial year 2016, an increase of 11.8% versus 2015.

#### 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.

#### Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding.

The number of outstanding ordinary shares of 81,160,915 shares has not changed during 2016. For the year ended December 31, 2015 the number of shares has been determined on 79.5 million by applying 74.3 million shares to the period until March 27, 2015 and applying 81.2 million shares to the period from March 27 until December 31.

For the year ended December 31, 2015 the accrual for cumulative dividend on A1A and A1B shares is taken into account in the calculation of the earnings per share. These shares do not exist anymore after March 27, 2015. Therefore, a pro forma EPS is calculated based on a profit without adjustment for the accrual for cumulative dividend. Hence, this pro forma profit for the year attributable to ordinary equity holders of the parent is EUR 5.7 million higher in the pro forma EPS calculation for 2015. The number of shares used in the pro forma EPS and regular EPS calculation are similar.

The following reflects the income and share data used in the basic EPS computations:

<i>(x 1 million euro)</i>	<b>2016</b>	<b>2015</b>
Profit for the year	81.5	41.8
<b>Profit attributable to ordinary equity holders of the parent</b>	<b>81.5</b>	<b>41.8</b>
Accrual for cumulative dividend A1A and A1B shares	–	(5.7)
Profit for the year attributable to ordinary equity holders of the parent	81.5	36.1
<b>Weighted average number of ordinary shares for basic EPS</b>	<b>81,160,915</b>	<b>79,535,974</b>
Basic and diluted profit for the year attributable to ordinary equity holders of the parent	1.00	0.45
Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	1.00	0.45
<b>Pro forma weighted average number of ordinary shares for basic EPS</b>	<b>81,160,915</b>	<b>79,535,974</b>
Pro forma basic and diluted profit for the year attributable to ordinary equity holders of the parent	1.00	0.53
Pro forma basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	1.00	0.53

#### 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

<i>(x 1 million euro)</i>	<b>2016</b>	<b>2015</b>
Syndicated term loan	727.8	522.0
Capitalized finance costs	(7.0)	(6.0)
Mortgage loan	22.4	29.2
Other long term loans	3.8	3.8
Finance lease liabilities	2.7	–
<b>Total</b>	<b>749.7</b>	<b>549.0</b>

The face value of the syndicated term loan is EUR 722.0 million (2015: EUR 522.0 million).

#### Current

(x 1 million euro)	Notes	2016	2015
Current portion of finance lease liabilities		0.9	0.8
Current portion of mortgage loan		2.9	3.4
		<b>3.8</b>	<b>4.2</b>
Bank overdrafts	5.7	7.3	–
<b>Total</b>		<b>11.1</b>	<b>4.2</b>

The terms and conditions of the outstanding loans and notes are as follows:

(x 1 million euro)	Currency	Nominal interest rate %	Repayment	Face value 2016	Carrying amount 2016	Face value 2015	Carrying amount 2015
Syndicated term loan	EUR	3M EURIBOR + 1.6%	2021	622.0	622.0	522.0	522.0
Syndicated term loan	USD	3M LIBOR + 1.6%	2021	100.0	105.8	–	–
Revolving credit facility	EUR	3M EURIBOR + 1.6%	2021	–	–	–	–
Capitalized finance costs	EUR		2020	(9.3)	(7.0)	(6.6)	(6.0)
Mortgage loan	GBP	3M GBP LIBOR + 0.75%	2036	38.5	25.3	38.5	32.6
Other long term loans	EUR	1,037%	2024	3.8	3.8	3.8	3.8
Finance lease liabilities	EUR/GBP	Various	Various	3.6	3.6	0.8	0.8
<b>Total interest-bearing liabilities</b>				<b>758.6</b>	<b>753.5</b>	<b>558.5</b>	<b>553.2</b>

As per July 1, 2016 the Group increased the syndicated external loan facility from EUR 522.0 million to EUR 722.0 million, extended the duration of the syndicated external loan and the existing revolving credit facility of EUR 150 million with thirteen months until June 30, 2021 and decreased the interest rate to 3-months Euribor plus 1.6%. The mark-up for interest payable for the syndicated term loan and revolving credit facility is depended on the Net debt ratio. See note 3.2.

There are no securities released for the syndicated external loan and revolving credit facility. As per December 31, 2016 the revolving credit facility is undrawn.

#### Mortgage loan

The Group has a mortgage loan from HSBC Bank Plc for construction of the production site in Bridgwater (UK). 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 will be repaid in 2026. The mortgage has been valued at fair value in the opening balance in November 11, 2014 and is valued at amortized costs afterwards.

#### Finance lease liabilities

Finance lease liabilities relate mainly to production lines in the Benelux and US. For the nominal value and cash outflow, reference 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, Belgium, Germany, Italy and the UK and jubilee plans in the Netherlands, Germany and France. The amount of the benefits depends on age, salary and years of service. Furthermore, the Group has an indemnity plan in France.

The amounts recognized for defined benefit plans in the balance sheet are determined as follows:

#### December 31, 2016

(x 1 million euro)	Pension plan the Netherlands	Pension plan Germany	Pension plan UK	Pension plan Belgium	Other	Total
Present value of obligation	71.0	25.2	10.6	1.7		108.5
Fair value of plan assets	(75.6)	(5.3)	(9.0)	(1.2)		(91.1)
<b>Deficit of funded plans</b>	<b>(4.6)</b>	<b>19.9</b>	<b>1.6</b>	<b>0.5</b>	<b>–</b>	<b>17.4</b>
Present value of unfunded obligations	–	14.7	–	–	9.3	24.0
<b>Present value of net obligations</b>	<b>(4.6)</b>	<b>34.6</b>	<b>1.6</b>	<b>0.5</b>	<b>9.3</b>	<b>41.4</b>
Impact of minimum funding requirement/ asset ceiling	5.0	–	–	–	–	5.0
<b>Present value of net obligations</b>	<b>0.4</b>	<b>34.6</b>	<b>1.6</b>	<b>0.5</b>	<b>9.3</b>	<b>46.4</b>

#### December 31, 2015

(x 1 million euro)	Pension plan the Netherlands	Pension plan Germany	Pension plan UK	Pension plan Belgium	Other	Total
Present value of obligation	60.1	24.1	9.8	–	–	94.0
Fair value of plan assets	(66.9)	(5.3)	(9.0)	–	–	(81.2)
<b>Deficit of funded plans</b>	<b>(6.8)</b>	<b>18.8</b>	<b>0.8</b>	<b>–</b>	<b>–</b>	<b>12.8</b>
Present value of unfunded obligations	–	4.8	–	–	7.9	12.7
<b>Present value of net obligations</b>	<b>(6.8)</b>	<b>23.6</b>	<b>0.8</b>	<b>–</b>	<b>7.9</b>	<b>25.5</b>
Impact of minimum funding requirement/ asset ceiling	6.8	–	–	–	–	6.8
<b>Present value of net obligations</b>	<b>–</b>	<b>23.6</b>	<b>0.8</b>	<b>–</b>	<b>7.9</b>	<b>32.3</b>

At year-end 2016 Belgian defined contribution plans, subject to legal minimum guaranteed interest rates to be provided by the employer, were accounted for as defined benefit plans as per IAS19. This approach has been applied to these plans considering the clarification of the Belgian legislation published 18/12/2016 (WAP ‘Wet op de Aanvullende pensioenen’).

Plan assets can be detailed as follows:

(x 1 million euro)	2016	2015
Debt instruments	79.3	71.0
Assets held by insurance companies	8.1	5.3
Investment funds	3.5	4.5
Cash and cash equivalents	0.3	0.4
	<b>91.2</b>	<b>81.2</b>

The equity and debt instruments are plan assets with a quoted market price. The pension plan assets do not include the company's own shares or notes.

## Movements in the present value of the defined benefit obligations and plan assets

December 31, 2016

<i>(x 1 million euro)</i>	Defined benefit obligation	Plan assets	Total	Impact of minimum funding requirement/asset ceiling	Total
<b>Defined benefit obligations as at January 1</b>	106.7	(81.2)	25.5	6.8	32.3
Current service costs	1.1	–	1.1	–	1.1
Interest expense/(income)	3.0	(2.1)	0.9	–	0.9
Past service cost and gains and losses on settlements	–	–	–	–	–
Remeasurements of other long term benefits	0.2	–	0.2	–	0.2
Administrative expenses	0.1	0.1	0.2	–	0.2
<b>Cost recognised in income statement</b>	<b>4.4</b>	<b>(2.0)</b>	<b>2.4</b>	<b>–</b>	<b>2.4</b>
Return on plan assets	–	(7.9)	(7.9)	–	(7.9)
(Gain)/loss from change in demographic assumptions	(0.9)	–	(0.9)	–	(0.9)
(Gain)/loss from change in financial assumptions	14.0	–	14.0	–	14.0
Experience (gains)/losses	(0.6)	–	(0.6)	–	(0.6)
Transfer in effects	1.7	(1.2)	0.5	–	0.5
Change in asset ceiling, excluding amounts included in interest expense	–	–	–	(1.8)	(1.8)
<b>Total remeasurements recognised in OCI</b>	<b>14.2</b>	<b>(9.1)</b>	<b>5.1</b>	<b>(1.8)</b>	<b>3.3</b>
Benefits paid by the plan	(1.5)	1.5	–	–	–
Benefit payments from employer	(1.1)	1.1	–	–	–
Employer contributions	–	(1.4)	(1.4)	–	(1.4)
Effect of movements in exchange rates	(1.5)	1.4	(0.1)	–	(0.1)
Business combinations	11.4	(1.5)	9.9	–	9.9
<b>Defined benefit obligations as at December 31</b>	<b>132.6</b>	<b>(91.2)</b>	<b>41.4</b>	<b>5.0</b>	<b>46.4</b>



## December 31, 2015

(x 1 million euro)	Defined benefit obligation	Plan assets	Total	Impact of minimum funding requirement/asset ceiling	Total
<b>Defined benefit obligations as at January 1</b>	114.1	(79.4)	34.7	–	34.7
Current service costs	4.3	–	4.3	–	4.3
Interest expense/(income)	2.6	(1.9)	0.7	–	0.7
Past service cost and gains and losses on settlements	(8.0)	–	(8.0)	–	(8.0)
Remeasurements of other long term benefits	(0.1)	–	(0.1)	–	(0.1)
Administrative expenses	0.1	–	0.1	–	0.1
<b>Cost recognised in income statement</b>	<b>(1.1)</b>	<b>(1.9)</b>	<b>(3.0)</b>	<b>–</b>	<b>(3.0)</b>
Return on plan assets	–	2.7	2.7	–	2.7
(Gain)/loss from change in demographic assumptions	0.1	–	0.1	–	0.1
(Gain)/loss from change in financial assumptions	(3.8)	–	(3.8)	–	(3.8)
Experience (gains)/losses	(0.7)	–	(0.7)	–	(0.7)
Change in asset ceiling, excluding amounts included in interest expense	–	–	–	6.8	6.8
<b>Total remeasurements recognised in OCI</b>	<b>(4.4)</b>	<b>2.7</b>	<b>(1.7)</b>	<b>6.8</b>	<b>5.1</b>
Benefits paid by the plan	(1.4)	1.4	–	–	–
Benefit payments from employer	(1.6)	1.6	–	–	–
Employer contributions	–	(4.4)	(4.4)	–	(4.4)
Plan participants contributions	0.4	(0.4)	–	–	–
Effect of movements in exchange rates	0.7	(0.8)	(0.1)	–	(0.1)
<b>Defined benefit obligations as at December 31</b>	<b>106.7</b>	<b>(81.2)</b>	<b>25.5</b>	<b>6.8</b>	<b>32.3</b>

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately EUR 30.4 million related to active employees, EUR 64.3 million related to deferred members and EUR 37.9 million related to members in retirement.

The Group applied asset ceiling for the plans in the Netherlands because the Group is not entitled to any surplus payments (refunds) from the plans.

## Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages for the main plans):

## December 31, 2016

%	2016						Weighted average 2016
	Netherlands	Germany	France	Italy	UK	Belgium	
Discount rate as at December 31	1.9	1.7	1.8	1.5	2.9	1.6	1.9
Inflation	1.8	1.8	1.8	1.8	2.6	1.8	1.8
Salary growth rate	2.3–2.8	2.5	2.0–5.5	n/a	n/a	2.75	1.0
Pension growth rate	0.1	1.8	n/a	n/a	3.6	0	0.9

## December 31, 2015

%	2015						Weighted average 2015
	Netherlands	Germany	France	Italy	UK	Belgium	
Discount rate as at December 31	2.6	2.4	2.4	2.1	3.9	n/a	2.6
Inflation	2.0	2.0	2.0	2.0	2.4	n/a	2.0
Salary growth rate	2.5–4.0	3.0	2.0–5.5	3.0	n/a	n/a	2.7
Pension growth rate	0.1	2.0	n/a	n/a	2.4	n/a	1.0

The methods and types of assumptions used in preparing the sensitivity analysis has not changed 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 2016, for Germany Heubeck 2005G, for France TF/TH 0002, for Italy RG48 and for the UK 105% S2PXA CMI2015.

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

		December 31, 2016	December 31, 2015
Change in assumption		Impact on defined benefit obligation (debit/credit)	Impact on defined benefit obligation (debit/credit)
	%	x 1 million euro	x 1 million euro
Discount rate	+0.25	6.5	4.7
	– 0.25	(6.5)	(5.0)
Pension growth rate	+0.25	(0.6)	(4.3)
	– 0.25	0.9	2.3
Salary growth rate	+0.25	(3.1)	(0.8)
	– 0.25	4.5	0.3
Life expectancy	Increase by 1 year	(2.6)	(3.2)
	Decrease by 1 year	6.3	3.2

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 1.7 million in 2017 (2016: EUR 1.7 million).

The weighted average duration of the defined benefit obligation is 19.7 years.

Expected maturity analysis of undiscounted pension and other defined benefits:

(x 1 million euro)	Less than one year	Year 2	Year 3 up to and including year 5	Year 6 up to and including year 10	Total
Pensions & other	3.0	2.8	9.5	19.0	34.3

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 company's employees in the Netherlands, approximately 350 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 300 companies and 4,000 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 policy funding ratio of the plan assets to its obligations. Since January 2015, a pension fund has the obligation to report the policy funding ratio, which is the average of the funding ratio of the last 12 months. This policy funding 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 (kostendeckende premie) as required by regulation. In the case of a shortfall (or surplus) the Company 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 policy funding ratio of the multi-employer plan decreased to 108.4% as of December 31, 2016 as reported in January 2017 (December 31, 2015: 113.9%). The policy funding 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 new Ultimate Forward Rate as required by the Dutch Central Bank). The pension premium percentage is approximately 26.9% (17.1% employer, 9.8% employee) for 2016 and 2017. The multi-employer scheme is a defined benefit scheme but the Company accounts for the multi-employer plan as if it were a defined contribution plan, as the pension fund is not able to provide the Company with the required Company-specific information to allow the assets and liabilities to be separately identified. The Company'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***(x 1 million euro)*

	Restructuring	Other	Total 2016	Total 2015
<b>January 1</b>	2.3	5.7	8.0	18.8
Provisions made during the year	0.1	1.2	1.3	5.6
Provisions used during the year	(1.7)	(6.0)	(7.7)	(16.1)
Provisions reversed during the year	–	(0.1)	(0.1)	(0.2)
Business combinations	–	4.1	4.1	–
Effect of movements in exchange rates	–	–	–	(0.1)
<b>December 31</b>	<b>0.7</b>	<b>4.9</b>	<b>5.6</b>	<b>8.0</b>
Non-current	–	1.6	1.6	3.8
Current	0.7	3.3	4.0	4.2

**Restructuring**

The provision for restructuring relates to the Calvörde plant, the closure of the St. Andrea plant (Italy), the closure of the Nieszawa plant (Poland) and the ceased production in the Dachwig plant (Germany). There are no significant uncertainties about the amount or timing of outflow of resources.

**5.13 Trade and other payables***(x 1 million euro)*

	Notes	2016	2015
Trade accounts payable		348.9	304.1
Other taxes and social security premiums payable		34.9	34.1
Other payables, accruals and deferred income		170.9	161.1
	<b>3.1.2</b>	<b>554.7</b>	<b>499.3</b>

The exposure to liquidity and foreign currency risks on trade and other payables is disclosed in note 3.1.2 and 3.1.3.

## 6 SUPPLEMENTARY NOTES

### 6.1 Acquisitions of subsidiaries and non-controlling interest

On May 11, 2016, Refresco acquired 100% of the shares of DIS International BV ('DIS'). DIS is engaged in contract filling of drinks in cans. The acquisition price for the shares of DIS amounts to EUR 71.9 million. Together with the refinanced debt of DIS of EUR 8.6 million the Group funded the acquisition by EUR 80.0 million drawn revolving credit facility and the rest of EUR 0.5 million by available cash.

On May 31, 2016, Refresco acquired the German PepsiCo plant in Hamburg of Punic Getränke GmbH ('Hamburg'). The acquisition concerns besides the plant, selected assets and liabilities, employees, a service level agreement and a manufacturing agreement with PepsiCo. This plant is engaged in producing non-alcoholic beverages in aseptic PET bottles and glass bottles. This transaction enables the Group to strengthen the footprint in Germany and increase the Co-Packing volumes. The net acquisition price amounts to EUR 14.3 million and is funded by available cash of the Group.

As per September 7, 2016 Refresco closed the acquisition of Whitlock Holding Corporation (hereafter Whitlock), taking the first step into another continent North America. Whitlock has long-standing relationships with leading A-brands in the US soft drinks market. Refresco intends to leverage its experience to further develop Whitlock's private label capabilities. It will contribute to Whitlock's expansion with a focus on innovation, procurement, operational excellence and industry best practices.

The acquisition price for the shares of Whitlock of USD 68.2 million (EUR 60.7 million) and refinanced debt amounts to USD 59.7 million (EUR 53.1 million) are funded by the syndicated bank loan. The EUR/USD exchange rate at acquisition date is 1.12. As per September 2, 2016 Refresco drawn the remaining facility of the syndicated bank loan of EUR 120.0 million of which EUR 100.0 million is drawn the equivalent of USD 111.7 million.

(x 1 million euro)	DIS International	Hamburg plant	Whitlock	Total
Acquisition price	71.9	14.3	60.7	146.9
<b>Consideration paid in cash</b>	<b>71.9</b>	<b>14.3</b>	<b>60.7</b>	<b>146.9</b>
Less: cash and cash equivalent balances acquired	(7.1)	(0.1)	(1.7)	(8.9)
<b>Net movement in cash</b>	<b>64.8</b>	<b>14.2</b>	<b>59.0</b>	<b>138.0</b>
Refinance of debt obligations	8.6	–	53.1	61.7

The following table summarizes the consideration paid for the acquisitions, the fair value of assets and liabilities acquired at the acquisition dates (provisional purchase price allocation). If estimates of fair values of assets and liabilities will change material because additional information becomes available within 12 months after the acquisitions, the Group will adjust the carrying amounts and adjust the corresponding goodwill.

(x 1 million euro)	Values as per			Total
	DIS International May 11, 2016	Hamburg plant May 31, 2016	Whitlock September 7, 2016	
<b>Non-current assets</b>				
Property, plant and equipment	33.4	20.2	63.8	117.4
Intangible assets	–	–	11.8	11.8
<b>Current assets</b>				
Inventories	5.5	–	7.8	13.3
Trade and other receivables	12.2	–	11.8	24.0
Cash and cash equivalents	7.1	0.1	1.7	8.9
<b>Non-current liabilities</b>				
Loans and borrowings	(3.0)	–	–	(3.0)
Employee benefits provisions	(0.4)	(9.5)	–	(9.9)
Other provisions	–	–	(0.5)	(0.5)
Deferred income tax	(4.7)	–	(15.8)	(20.5)
<b>Current liabilities</b>				
Loans and borrowings	(9.2)	–	(53.4)	(62.6)
Trade and other payables	(19.6)	(0.6)	(15.9)	(36.1)
Current income tax liabilities	0.6	–	(0.5)	0.1
Provisions	(1.7)	–	(1.9)	(3.6)
<b>Fair value of identifiable net assets acquired</b>	<b>20.2</b>	<b>10.2</b>	<b>8.9</b>	<b>39.3</b>

The values of assets, liabilities, and contingent liabilities recognized on acquisition date are their estimated fair values, if applicable, translated into the respective functional currency of the Group at exchange rates at the dates of acquisitions. The intangible assets are related to customer contracts in Whitlock valued on individual basis. The fair value of inventory has been determined based on latest sales prices and resulted in a step up of EUR 1.3 million (0.7 million for DIS and EUR 0.6 million for Whitlock) which has been released in the result in 2016 in the raw materials and consumables used. The fair value of trade and other receivables is EUR 24.0 million and includes trade receivables with a fair value of EUR 19.0 million. The gross contractual amount for trade receivables due is EUR 19.2 million, of which EUR 0.2 million is expected to be uncollectible. The long term debt of DIS relates to finance leases of leased production lines. The current loans and borrowings of DIS relate for EUR 8.6 million to a bank loan that is repaid directly after the acquisition and financed by intercompany loan. The current loans and borrowings of Whitlock is for EUR 53.1 million related to a bank loan and is repaid directly after the acquisition and financed by intercompany loan.

None of the goodwill recognized is expected to be deductible for income tax.

(x 1 million euro)	DIS International	Hamburg plant	Whitlock	Total
Consideration transferred	71.9	14.3	60.7	146.9
Less: fair value of identifiable net assets acquired	(20.2)	(10.2)	(8.9)	(39.3)
<b>Goodwill arising on acquisition</b>	<b>51.7</b>	<b>4.1</b>	<b>51.8</b>	<b>107.6</b>

The goodwill of DIS and Hamburg relates to a strengthened footprint, manufacturing synergies from combining operations, purchasing synergies due to economies of scale and head office synergies.

The goodwill of Whitlock relates to a new platform for opportunities of growth by entering the US and added value to our Co-Packing customers. The Group will continue to build on the footprint in the US and create a solid platform as the Group has in Europe.

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 will have greater opportunities to invest in innovation, to achieve growth and to optimize the business.

Acquisition-related costs amounting to EUR 2.4 million have been excluded from the consideration transferred and have been recognized as an expense in the Other operating expenses.

### Impact of acquisition on the results of the Group

The results of DIS are consolidated in the results of Refresco as of May 11, 2016. The revenue for the year ended December 31, 2016 includes EUR 66.4 million in respect of DIS. The profit for the year ended December 31, 2016 includes a profit of EUR 4.6 million in respect of DIS. Had the acquisition of DIS been effected at January 1, 2016, the revenue of the Group for the year ended December 31, 2016 would have been increased by EUR 32.5 million and the profit for the year would have been increased by EUR 1.7 million. Management of the Group considers these pro-forma numbers to represent an approximate measure of the performance of the combined group on a year basis and to provide a reference point for comparison in future periods.

The results of Hamburg are consolidated in the results of Refresco as of May 31, 2016. The revenue for the year ended December 31, 2016 includes EUR 10.5 million in respect of the Hamburg plant and the profit for the year ended December 31, 2016 includes no considerable value yet in respect of the Hamburg plant. Because of the acquired assets and liabilities and the service level agreement with PepsiCo starting as from acquisition date, management of the Group considers pro-forma numbers relating to the Hamburg plant as per January 1, 2016 not to be an approximate measure of the performance of the combined group.

The results of Whitlock are consolidated in the results of Refresco as of September 7, 2016. The revenue for the year ended December 31, 2016 includes EUR 38.9 million in respect of Whitlock. The profit for the year ended December 31, 2016 includes a loss of EUR 5.2 million in respect of Whitlock. Had the acquisition of Whitlock been effected at January 1, 2016, the revenue of the Group for the year ended December 31, 2016 would have been increased by EUR 106.6 million and the profit for the year would have been increased by EUR 6.8 million. Management of the Group consider these pro-forma numbers to represent an approximate measure of the performance of the combined group on a year basis and to provide a reference point for comparison in future periods.

## 6.2 Commitments and contingent liabilities

### Operating lease and rental obligations

(x 1 million euro)	2016	2015
Less than one year	35.5	33.9
Between one and five years	92.4	67.5
More than five years	17.5	6.6
	<b>145.4</b>	<b>108.0</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 2016, EUR 34.7 million was recognized as expense in the income statement in respect of operating leases and rentals (2015: EUR 35.5 million).

### Purchase and investment commitments

(x 1 million euro)	Total 2016	Less than one year	One to five years	More than five years	Total 2015
Property, plant and equipment	15.1	15.1	–	–	4.8
Raw materials, packaging and utilities	403.5	403.5	–	–	383.1
	<b>418.6</b>	<b>418.6</b>	<b>–</b>	<b>–</b>	<b>387.9</b>

### Contingent liabilities

Banks have issued guarantees to suppliers and customers on behalf of the Group in the aggregate amount of EUR 4.7 million (2015: EUR 3.2 million).



The Group has several facilities for issuing letters of credit and local overdraft facilities for cash pool purposes. At December 31, 2016 there was EUR 2.5 million (2015: EUR 6.5 million) open letters of credit.

The Company forms a fiscal unity for income tax purposes with Refresco B.V., Refresco Holding B.V. and Refresco Benelux 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 expected – 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

Shares are offered to institutional and retail investors in the Netherlands and institutional investors in certain other jurisdictions. Refresco's shares are widely spread over a large number of shareholders in various countries. Refresco's majority shareholders continue to be Ferskur Holding 1 (Stodir), Tamoia (GZ Trust) and 3i who collectively own 28.0% of the shares as of 31 December, 2016. Refresco's Executive Board currently holds 1.9% of the shares via Okil Holding B.V.

#### 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: Raven Management B.V., Okil Holding B.V., Menken Dairy Foods Nederland B.V. and members of management of the Group and subsidiaries. Menken Dairy Foods Nederland B.V. was liquidated in 2016. The transactions with these related parties relate primarily to the shareholding.

#### Personnel compensation and transactions with Executive and Supervisory Board Members

##### *Executive Board personnel compensation and transactions*

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:

(x 1 thousand euro)	J.H.W. Roelofs		A.C. Duijzer		Total	
	2016	2015	2016	2015	2016	2015
<b>Short term</b>						
Base salary	695.0	690.0	445.0	440.0	1,140.0	1,130.0
Short term incentive	260.6	863.0	166.9	550.0	427.5	1,413.0
Retention incentive*	300.0	225.0	250.0	188.0	550.0	413.0
Social charges	9.7	40.0	9.7	40.0	19.4	80.0
Expenses	4.2	4.2	3.3	3.3	7.5	7.5
<b>Total</b>	<b>1,269.5</b>	<b>1,822.2</b>	<b>874.9</b>	<b>1,221.3</b>	<b>2,144.4</b>	<b>3,043.5</b>
<b>Post employment</b>						
Pension cost	101.1	133.0	68.7	114.0	169.8	247.0
<b>Total</b>	<b>101.1</b>	<b>133.0</b>	<b>68.7</b>	<b>114.0</b>	<b>169.8</b>	<b>247.0</b>
<b>Total compensation</b>	<b>1,370.6</b>	<b>1,955.2</b>	<b>943.6</b>	<b>1,335.3</b>	<b>2,314.2</b>	<b>3,290.5</b>

\* In the 2015 financial year a retention incentive in relation to the IPO was granted of EUR 1,100 thousand which is payable in cash in 2 parts in 2016 (50%) and 2017 (50%), fully conditional to being employed at the Company. In the 2015 financial statements this amount has been presented as an expense for the year 2015, due to the relationship with the IPO in 2015. In the 2016 financial statements this expense has been allocated to the years 2015, 2016 and 2017, taking into account the total period, resulting in the following allocation: 2015: EUR 413 thousand, 2016: EUR 550 thousand and 2017: EUR 137 thousand. The comparative figures in the table above have been adjusted accordingly.

The Executive Board members of the Group held (either directly or indirectly) 1.9% of the Company's ordinary shares via Okil Holding B.V.

**Supervisory Board compensation and transactions**

The remuneration for Supervisory Board members was EUR 0.4 million (2015: EUR 0.7 million).

<i>(x 1 thousand euro)</i>	2016	2015
Y. Petrides	97.5	410.6
H.T. Kristinsson	19.3	50.6
J. Sigurdsson	52.5	50.6
S. Gorvy	52.5	50.6
A. Dijkhuizen	52.5	50.6
T. de Kool	52.5	39.4
P. de Jong	45.0	45.0
I. Plochaet	32.5	n/a
T. Jonsson	n/a	9.4
N.J. Schoenfeld	n/a	9.4
	<b>404.3</b>	<b>716.2</b>

The chairman Y. Petrides was in 2015 entitled to an amount of EUR 300 thousand payable by the company if the IPO was successful. Supervisory board member T. de Kool owns 10,000 ordinary shares (0.012%).

**Transactions with related parties**

<i>(x 1 million euro)</i>	Transaction value		Balance outstanding December 31	
	2016	2015	2016	2015
<b>Increase of shareholders' equity/financing</b>				
Executive Board	–	(2.2)	–	–
3i	(0.3)	–	(1.0)	(0.7)
Okil Holding B.V.	–	(0.4)	–	–
<b>Total</b>	<b>(0.3)</b>	<b>(2.6)</b>	<b>(1.0)</b>	<b>(0.7)</b>
<b>Buy non-controlling interest</b>				
Okil Holding B.V.	–	2.0	–	–
<b>Total</b>	<b>–</b>	<b>2.0</b>	<b>–</b>	<b>–</b>
<b>Management Fees (charged)</b>				
Ferskur Holding 1 B.V.	–	0.1	–	–
Tamoa Ltd	0.1	–	–	–
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>–</b>

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**

The previously announced preliminary agreement to purchase Sanpellegrino's bottling facility in Recoaro, Italy, was finalized on March 1, 2017. Due to the relatively small size of the transaction, no financial details are disclosed.

# Company income statement

For the year ended December 31, 2016

(x 1 million euro)	Note	December 31, 2016	December 31, 2015
Other operating expenses		(0.7)	(8.4)
<b>Operating profit</b>		<b>(0.7)</b>	<b>(8.4)</b>
Finance income		10.9	30.6
Finance expense		(11.6)	(28.0)
<b>Net finance costs</b>		<b>(0.7)</b>	<b>2.6</b>
<b>Profit/(loss) before income tax</b>		<b>(1.4)</b>	<b>(5.8)</b>
Income tax (expense)/benefit		0.4	0.3
Share in results from participation interest after taxation	3.1	82.5	47.7
<b>Profit/(loss) for the year</b>		<b>81.5</b>	<b>42.2</b>

# Company balance sheet

As at December 31, 2016

(Before appropriation of result)

(x 1 million euro)	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Financial fixed assets	3.1	528.7	506.4
Loans to group companies	3.2	727.8	522.0
<b>Total non-current assets</b>		<b>1,256.5</b>	<b>1,028.4</b>
Receivables from group companies		0.8	26.4
Current income tax receivable		0.4	0.3
Trade and other receivables		–	0.1
Cash and cash equivalents		13.3	–
<b>Total current assets</b>		<b>14.5</b>	<b>26.8</b>
<b>Total assets</b>		<b>1,271.0</b>	<b>1,055.2</b>
<b>Equity</b>			
Issued share capital		9.7	9.7
Share premium		533.0	533.0
Legal reserves		(4.7)	22.2
Other reserves		(18.3)	(16.1)
Retained earnings		(62.7)	(77.2)
Result for the year		81.5	42.2
<b>Total equity attributable to equity holders of the company</b>	3.3	<b>538.5</b>	<b>513.8</b>
<b>Liabilities</b>			
Loans and borrowings	3.4	727.8	522.0
Deferred income tax		0.4	–
<b>Total non-current liabilities</b>		<b>728.2</b>	<b>522.0</b>
Bank overdrafts		–	16.3
Trade and other payables		4.3	3.1
<b>Total current liabilities</b>		<b>4.3</b>	<b>19.4</b>
<b>Total equity and liabilities</b>		<b>1,271.0</b>	<b>1,055.2</b>

# Notes to the company financial statements

## 1 GENERAL

The financial statements of Refresco Group N.V. or 'the Company' are included in the consolidated financial statements of the Group.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principles for the recognition and measurement of assets and liabilities and for determination of the result for its Company financial statements, the Company makes use of the option provided in section 2:362 (8) of the Dutch Civil Code Title 9, Book 2, under which the principles for the recognition and measurement of assets and liabilities and for determination of the result of the Company financial statements are the same as those applied for the consolidated financial statements (hereinafter referred to as principles for recognition and measurement). In these separate financial statements investments in subsidiaries are accounted for using the equity method. The consolidated financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union. These principles are set out in the consolidated financial statements.

Participating interests over which control is exercised are carried on the basis of net asset value. The share in the result of participating interests represents the Company's share in the result of these participating interests. To the extent that they are deemed to be unrealized, results are not recognized on transactions between the Company and its participating interests and mutually between participating interests themselves.

## 3 NOTES TO THE COMPANY BALANCE SHEET AND INCOME STATEMENT

### 3.1 Financial fixed assets

Financial fixed assets consist of participating interests in Group companies. The movements in the participating interests in Group companies were as follows:

<i>(x 1 million euro)</i>	2016	2015
<b>January 1</b>	506.4	217.3
Share in result of participating interests	82.5	47.7
Dividend	(31.5)	–
Capital increase	–	225.0
Effect of movement in exchange rates	(28.0)	21.0
Changes in cashflow hedge reserve	1.5	(2.8)
Buy non-controlling interest	–	2.0
Other comprehensive income pensions	(2.2)	(3.8)
<b>December 31</b>	<b>528.7</b>	<b>506.4</b>

Refresco Group N.V. owns the following subsidiaries as at December 31:

Company	Statutory seat	Note	Ownership interest	
			2016	2015
Consolidated companies				
Refresco Holding B.V.	Rotterdam (The Netherlands)	1	100%	100%
Refresco UK B.V.	Rotterdam (The Netherlands)	1	100%	100%
Refresco B.V.	Dordrecht (The Netherlands)	1	100%	100%
Soft Drink International B.V.	Heerlen (The Netherlands)		Merged	100%
Refresco Benelux B.V.	Maarheeze (The Netherlands)	1	100%	100%
Refresco N.V.	Ninove (Belgium)		100%	100%
DIS International B.V.	Sittard (The Netherlands)	2	100%	0%
Dismac B.V.	Sittard (The Netherlands)	2	100%	0%
DIS Contractfilling B.V.	Sittard (The Netherlands)	2	100%	0%
DIS B.V.	Sittard (The Netherlands)	2	100%	0%
DIS Beverages B.V.	Sittard (The Netherlands)	2	100%	0%
Refresco Iberia S.A.	Oliva (Spain)		100%	100%
Refresco Deutschland Services & IT GmbH & Co KG	Mönchengladbach (Germany)		100%	100%
Refresco Deutschland Holding GmbH	Herrath (Germany)		100%	100%
Refresco Deutschland GmbH	Herrath (Germany)		100%	100%
Logico GmbH & Co KG	Erftstadt (Germany)		100%	100%
EMIG GmbH	Rellingen (Germany)		100%	100%
Verwaltungsgesellschaft EMIG mbH	Rellingen (Germany)		100%	100%
Refresco Hamburg GmbH	Hamburg (Germany)		100%	0%
Refresco Finland Holding O.Y.	Kuopio (Finland)		100%	100%
Refresco Finland O.Y.	Kuopio (Finland)		100%	100%
Refresco France S.A.S.	Marges (France)		100%	100%
Ferskur France S.A.S.	Marges (France)		100%	100%
Refresco Le Quesnoy SAS	Valenciennes (France)		100%	100%
Refresco Holdings GB Ltd.	Bridgwater (UK)		100%	100%
Histogram Holdings Ltd.	Bridgwater (UK)		100%	100%
Refresco Ltd.	Bridgwater (UK)		100%	100%
Pride Foods Ltd.	Bridgwater (UK)		100%	100%
Quantock Properties Ltd.	Bridgwater (UK)		100%	100%
Refresco Beverages UK Ltd.	Bridgwater (UK)		100%	100%
Gerber Emig Group Ltd.	Bridgwater (UK)		100%	100%
British Brands Ltd. (dormant)	Bridgwater (UK)		100%	100%
Sunpride Ltd. (dormant)	Bridgwater (UK)		100%	100%
Gerber Foods International Ltd. (dormant)	Bridgwater (UK)		100%	100%
Gerber Frozen Foods Ltd. (dormant)	Bridgwater (UK)		100%	100%
Gerber Goldschmidt Foods Ltd. (dormant)	Bridgwater (UK)		100%	100%
GerberFoods Softdrinks Ltd. (dormant)	Bridgwater (UK)		100%	100%
Refresco Poland Sp. z o.o.	Warsaw (Poland)		100%	100%
Refresco Sp. z o.o.	Kenty (Poland)		100%	100%
Refresco Italy S.p.A.	Cadorago (Italy)		100%	100%
Spumador S.p.A.	Cadorago (Italy)		100%	100%
R2R S.p.A.	Cadorago (Italy)		100%	0%
Medibev S.p.A.	Milan (Italy)		Merged	100%
Refresco US Holding Inc.	Wilmington, Delaware (US)		100%	0%
Whitlock Holding Corporation	Tulsa, Oklahoma (US)		100%	0%
Refresco US Inc. (prev. Whitlock Packaging Corporation)	Tulsa, Oklahoma (US)		100%	0%
Refresco Florida Inc. (prev. Juice Bowl, prev. Whitlock Florida)	Plantation, Florida (US)		100%	0%
Non-consolidated companies				
Entsorgungs GmbH	Calvörde (Germany)	3	40%	40%
Genprobio Srl	Cadorago (Italy)	3	20%	20%

<sup>1</sup> Refresco Group N.V. has issued a 403 liability statement for these companies.

<sup>2</sup> Refresco Group N.V. has issued a 403 liability statement for these companies, as of acquisition date.

<sup>3</sup> The non-consolidated companies are not material for the financial statements of Refresco Group N.V.

**3.2 Loans to Group companies***(x 1 million euro)*

	2016	2015
<b>January 1</b>	522.0	776.6
Loans granted	205.8	522.0
Repaid	–	(776.6)
<b>December 31</b>	<b>727.8</b>	<b>522.0</b>

Loans granted to Group companies have been continued and extended in line with the syndicated external loan facility until the year 2021. Interest charged is based on interest costs of the syndicated external loan with markup for credit risk and handling fee.

**3.3 Equity**

For details on equity, a reference is made to note 5.9 of the consolidated financial statements.

**3.4 Loans and borrowings***(x 1 million euro)*

	2016	2015
<b>Non-current liabilities</b>		
Syndicated term loan	727.8	522.0
	<b>727.8</b>	<b>522.0</b>

<i>(x 1 million euro)</i>	Currency	Nominal interest rate %	Repayment	Face value 2016	Carrying amount 2016	Face value 2015	Carrying amount 2015
Syndicated term loan	EUR	3M EURIBOR + 1.6%	2021	622.0	622.0	522.0	522.0
Syndicated term loan	USD	3M LIBOR + 1.6%	2021	100.0	105.8		
Revolving credit facility	EUR	3M EURIBOR + 1.6%	2021	–	–	–	–
<b>Total interest-bearing liabilities</b>				<b>722.0</b>	<b>727.8</b>	<b>522.0</b>	<b>522.0</b>

For details on the syndicated external loan a reference is made to note 5.10 of the consolidated financial statements. Costs directly attributable to the issuance are capitalized in the related subsidiaries of the Company. Remaining costs of the issuance are included in advice and legal costs of the related subsidiaries.

**3.5 Remuneration**

For the remuneration to the Executive Board a reference is made to note 6.2 of the consolidated financial statements. The company does not employ personnel.



### 3.6 Independent auditor's fees

With reference to Section 2:382a(1) and (2) of the Dutch Civil Code, the following fees for the financial year have been charged by Ernst & Young Accountants LLP (E&Y LLP) and their network inside and outside the Netherlands to the Company, its subsidiaries and other consolidated entities:

(x 1 million euro)			2016			2015		
	E&Y LLP	Network	Total	E&Y LLP	Network	Total		
Statutory audit of financial statements	0.3	0.6	0.9	0.2	0.6	0.8		
Other audit services	0.1	–	0.1	0.3	–	0.3		
	<b>0.4</b>	<b>0.6</b>	<b>1.0</b>	<b>0.5</b>	<b>0.6</b>	<b>1.1</b>		

### 3.7 Proposal for appropriation of profit

At the Annual General Meeting of Shareholders on May 9, 2017, the Executive Board will, with the approval of the Supervisory Board, absent unforeseen circumstances, propose a final dividend for 2016 of EUR 0.38 per common share. The final dividend will be paid in cash. The Executive Board proposes, with the approval of the Supervisory Board, to add the remaining part of the profit to the other reserves as retained earnings. This proposal has not yet been reflected in the financial statements.

If the proposed dividend is approved by shareholders, Refresco shares will be quoted ex-dividend on May 11, 2017, for the shares listed on Euronext. The record date for the dividend on the shares listed on Euronext will be May 12, 2017.

Rotterdam, March 8, 2017

#### Executive Board

Hans Roelofs – Chief Executive Officer

Aart Duijzer – Chief Financial Officer

#### Supervisory Board

Yiannis Petrides (Chairman)

Aalt Dijkhuizen

Sean Gorvy

Pieter de Jong

Theo De Kool

Inge Plochaet

Jon Sigurdsson

# Other information

## **STATUTORY PROVISION WITH RESPECT TO APPROPRIATION OF RESULT**

The Executive Board, with the approval of the Supervisory Board, may decide that the profits realized during the financial year fully or partially appropriated to increase and/or for reserves. Profits remaining shall be put at the disposal of the General Meeting.

The Executive Board, with the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.

**INDEPENDENT AUDITOR'S REPORT**

To: the shareholders and supervisory board of Refresco Group N.V.

**Report on the audit of the financial statements 2016 included in the annual report**

**Our opinion**

We have audited the financial statements 2016 of Refresco Group N.V., based in Rotterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Refresco Group N.V. as at 31 December 2016 and of its result and its cash flows for 2016 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Refresco Group N.V. as at 31 December 2016 and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated balance sheet as at 31 December 2016
- The following statements for 2016: the consolidated income statement, the consolidated statements of other comprehensive income, changes in equity and cash flows
- The 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 2016
- The company income statement for 2016
- The notes comprising a summary of the accounting policies and other explanatory information

**Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Refresco Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

**Materiality**

<b>Materiality</b>	€ 9.1 million
<b>Benchmark applied</b>	1 per cent of consolidated gross margin.
<b>Explanation</b>	<p>The users of the financial statements of a for-profit entity typically focus on operating performance, particularly profit before tax. However, given the significant exceptional amounts in profit before tax over recent years, we applied the materiality based on gross margin.</p> <p>Gross margin is the most important parameter for (local) management for directing and supervising the company. All significant decisions, such as investment decisions, are based on gross margin.</p>

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 365,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

**Scope of the group audit**

Refresco Group N.V. is the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Refresco Group N.V.

Our group audit included all eight European components of Refresco Group N.V. This means that an audit has been performed on the complete set of financial information of each European component, thereby obtaining more than 95% coverage over the group's total assets, revenue and result.

All European components are audited by EY, whereby we used the work of local EY auditors when auditing foreign entities. The group audit team provided detailed instructions to all European component auditors, that covered significant audit areas including the relevant risks of material misstatement, and set out the information required to be reported back to the group audit team. The group audit team visited certain component auditors, based on a rotation scheme. In addition the group audit team attended all closing meetings of the European component audit teams during the hard close and the year-end audit. During these visits and calls, the findings and observations reported to the group audit team were discussed in more detail. Any further work deemed necessary by the group audit team was subsequently performed.

Furthermore, based on our assessment of the newly acquired US entities, we concluded that specific procedures are required for these

components. The group audit team therefore visited the US in October 2016 and January 2017. During these visits the group audit team audited the purchase price allocation including the opening balance sheet and had several meetings with local management and the local auditor.

Finally, The group audit team performed audit procedures with respect to certain accounts on the consolidated level, such as the valuation of goodwill.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's

financial information to provide an opinion on the consolidated financial statements.

#### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Risk

#### The measurement of revenue

Refer to note 3.5 (Use of estimates and judgments) and note 2.14 (Significant accounting policies – Revenue) and note 4.2 (Revenue).

Refresco Group N.V. has individual contracts with clients which are unique for its co-packing and private label businesses. The uniqueness is borne by e.g. different delivery terms and rebates. We identified revenue recognition as a fraud risk, requiring special audit attention.

### Our audit approach

In our audit we have applied a mix of control-based audit procedures and substantive audit procedures on the revenue and revenue related accounts such as cost of goods sold, inventory and rebate accruals. These procedures, among others, consist of a detailed assessment of sales contracts, credit notes, detailed analytical reviews, cut off testing in order to verify that sales have been recorded in the correct year, attendance of inventory counts in order to verify the existence and valuation of inventory and detailed testing of revenue related rebate accruals. We also tested manual journal entries around year-end to ensure that revenue journals were approved and supported with underlying documentation.

#### Valuation of goodwill

Refer to note 3.5 (Use of estimates and judgments) and note 5.2 (Intangible assets)

Refresco Group N.V. has a significant amount of goodwill on its balance sheet amounting to € 529.0 million. In accordance with EU-IFRS, Refresco Group N.V. is required to perform a goodwill impairment test on an annual basis. The goodwill is allocated to nine Cash Generating Units (CGU). The annual goodwill test was performed in October 2016 and updated to 31 December 2016, consistent with prior year, and Refresco Group N.V. concluded that there is no impairment.

These impairment tests are significant to our audit because the assessment process is complex and requires management judgment, and is based on assumptions that are affected by expected future market conditions.

As part of our audit procedures we focused on the assumptions and methodologies used by the company, and also on the robustness of the planning process to evaluate whether the company is able to prepare reliable estimates. Given the complexity around this topic, we have used an EY valuation specialist to assist us in evaluating the assumptions and methodologies.

The company uses assumptions with respect to Weighted Average Cost of Capital, future market and economic conditions such as expected inflation rates, economic growth rates, volumes, gross margin and expenses. In order to assess the reasonability of input data, the valuation model and the Weighted Average Cost of Capital we have, among others, compared the data with external data such as expected inflation rates, external market growth expectations and by analyzing sensitivities in the company's valuation model. With regard to the sensitivities we specifically focused on the available headroom present in the CGUs and whether a reasonable possible change in assumptions (assumed to be 1%), such as the discount rate and the growth rate could cause the carrying amount to exceed its recoverable amount. We also focused on the adequacy of the company's disclosures regarding assumptions.

As the goodwill test was performed in October 2016 and updated to 31 December 2016, we have re assessed management's analyses per 31 December 2016.

## Risk

## Our audit approach

**Accounting treatment acquisitions**

Refer to note 6.1 (Acquisition of subsidiaries and non/controllers interests)

In 2016 Refresco Group N.V. completed the acquisition of DIS International B.V. and Whitlock Holding Corporation. As of 31 December 2016, Refresco completed the initial acquisition accounting on a preliminary basis. Therefore the amounts recorded as of 31 December 2016 could change.

We focused on these transactions because it is material to the consolidated financial statements as a whole. In addition, determining the assumptions that underlie the initial acquisition accounting and the useful lives associated with the acquired tangible and intangible assets involves significant management judgment.

We evaluated management's process and methodology applied relating to the purchase price allocations. Given the complexity around this topic, we have used an EY valuation specialist to assist us in evaluating the assumptions and methodology.

We have tested the allocations against the applicable IFRS standards and purchase agreements, assessed whether the correct accounting treatment has been applied. We have assessed the valuation and accounting for the consideration paid.

We have audited the identification of fair values of the assets and liabilities acquired and assessed the valuation assumptions such as discount and growth rates. In addition, we have tested the supporting calculations for mathematical accuracy.

We also evaluated the adequacy of the disclosure (note 6.1) of these acquisitions in the financial statements.

**Report on other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The executive board report
- The supervisory board report
- The remuneration report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code
- Corporate Governance

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the executive board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

**Report on other legal and regulatory requirements****Engagement**

We were engaged by the supervisory board as auditor of Refresco Group N.V. on 25 June 2014, as of the audit for year 2014 and have operated as statutory auditor since that date.

**Description of responsibilities for the financial statements****Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

**Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to

be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 8 March 2017

**Ernst & Young Accountants LLP**

Signed by M. Bangma-Tjaden

## 1 Definitions

- 1.1 In these articles of association the following words shall have the following meanings:

**Company Body:** the Management Board, the Supervisory Board or the General Meeting;

**Depository Receipt:** a depository receipt for a Share;

**General Meeting:** the general meeting of the Company;

**Inability:** inability (*belet*) as referred to in Sections 2:244 paragraph 4 and 2:252 paragraph 4 of the Dutch Civil Code, including the event that the relevant person claims inability for a certain period of time in writing;

**in writing:** by letter, telecopier, e-mail, or by a legible and reproducible message otherwise electronically sent, provided that the identity of the sender can be sufficiently established;

**Management Board:** the management board of the Company;

**Meeting Right:** the right to attend the General Meeting and to address the meeting in person or through a representative authorised in writing, and the other rights designated by law to holders of depository receipts of shares to which Meeting Right is attached;

**Persons with Meeting Right:** a Shareholder, a holder of one or more Depository Receipts with Meeting Right and any usufructuary or pledgee with voting rights in respect of one or more Shares and/or Meeting Right;

**Share:** a share in the capital of the Company;

**Shareholder:** a holder of one or more Shares;

**Supervisory Board:** the supervisory board of the Company;

**Transferees:** has the meaning assigned thereto in Article 9.4;

**Transferor:** has the meaning assigned thereto in Article 9.2.

- 1.2 References to Articles shall be deemed to refer to articles of these articles of association, unless the contrary is apparent.

## 2 Name and Official Seat

- 2.1 The Company's name is:

**[Refresco Group] B.V.**

- 2.2 The official seat of the Company is in Rotterdam, the Netherlands.

## 3 Objects

The objects of the Company are:

- (a) to incorporate, to participate in any way whatsoever in, to manage, 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 the Company, group companies and/or third parties;
- (f) to acquire, alienate, manage and exploit 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, licenses, know-how and other intellectual and industrial property rights;
- (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.

#### **4 Capital**

- 4.1 The nominal value of each Share equals twelve eurocent (EUR 0.12).
- 4.2 All Shares shall be registered. No share certificates shall be issued.

#### **5 Register**

The Management Board shall keep a register with the names and addresses of all Shareholders, pledgees and usufructuaries, and holders of Depositary Receipts with Meeting Right.

#### **6 Issuance of Shares**

- 6.1 Shares shall be issued pursuant to a resolution of the General Meeting. The General Meeting may transfer this authority to another Company Body and may also revoke such transfer.
- 6.2 A resolution to issue Shares shall stipulate the issue price and the other conditions.
- 6.3 Upon issuance of Shares, each Shareholder shall have a right of pre-emption in proportion to the aggregate nominal value of his Shares, subject to the limitations prescribed by law and subject to Article 6.4.
- 6.4 Prior to each issuance of Shares, the right of pre-emption may be limited or excluded by the Company Body competent to issue such Shares.
- 6.5 The provisions of this Article 6 shall apply by analogy to the granting of rights to subscribe for Shares, but shall not apply to the issuance of Shares to a person exercising a right to subscribe for Shares previously granted.
- 6.6 The issue of a Share shall require a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the issuance shall be parties.
- 6.7 The full nominal value of each Share must be paid in upon issuance.

#### **7 Own Shares and Reduction of the Issued Capital**

- 7.1 Fully paid in Shares or Depositary Receipts shall be acquired pursuant to a resolution of the Management Board, in addition to which a resolution to acquire Shares or Depositary Receipts on payment shall be subject to approval of the General Meeting.
- 7.2 The General Meeting may resolve to reduce the Company's issued capital.

#### **8 Transfer of Shares**

- 8.1 The transfer of a Share shall require a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the transfer shall be parties.
- 8.2 Unless the Company itself is party to the legal act, the rights attributable to any Share can only be exercised after the Company has acknowledged said transfer or said deed has been served upon it in accordance with the provisions of the law.

#### **9 Blocking Clause (approval General Meeting)**

- 9.1 A transfer of one or more Shares can only be effected with due observance of the provisions set out in this Article 9, unless (i) all



Shareholders have approved the contemplated transfer in writing, which approval shall then be valid for a period of three months, or (ii) the Shareholder concerned is obliged by law to transfer his Shares to a former Shareholder or (iii) it concerns the acquiring of fully paid in own Shares for a consideration.

- 9.2 A Shareholder wishing to transfer one or more of his Shares (**Transferor**) shall require the approval of the General Meeting for such transfer. The request for approval shall be made by the Transferor by means of a written notification to the Management Board, stating the number of Shares he wishes to transfer and the person or persons to whom the Transferor wishes to transfer such Shares. The Management Board shall be obliged to convene and to hold a General Meeting to discuss the request for approval within six weeks from the date of receipt of the request. The contents of such request shall be stated in the convocation.
- 9.3 The Transferor may transfer the total number of Shares to which the request relates, and not part thereof, to the person or persons named in the request within a period of three months after the General Meeting granted the approval requested.
- 9.4 If:
- (a) the General Meeting does not adopt a resolution regarding the request for approval within six weeks after the request has been received by the Management Board; or
  - (b) the approval has been refused without the General Meeting having informed the Transferor, at the same time as the refusal, of one or more transferees that wish to purchase all the Shares to which the request for approval relates for payment in cash (**Transferees**),
- the approval requested shall be considered to have been granted, in the event mentioned under (a), on the final day of the six week period mentioned under (a).
- 9.5 The Shares to which the request for approval relates can be purchased by the Transferees at a price to be mutually agreed between the Transferor and the Transferees or by one or more experts jointly appointed by them. If they do not reach agreement on the price or the expert or experts, as the case may be, the price shall be determined by three independent experts, one to be appointed by the Transferor, one to be appointed by the Transferee or Transferees and the third one to be jointly appointed by the experts thus appointed. The appointed experts shall be authorised to inspect all books and records of the Company and to obtain all such information as will be useful to them in determining the price.
- 9.6 Within one month of the price being determined, the Transferees must give notice to the Management Board of the number of Shares to which the request for approval relates they wish to purchase. A Transferee who fails to submit notice within said term shall no longer be regarded as a Transferee. Once the notice mentioned in the preceding sentence has been given, a Transferee can only withdraw with the consent of the other Transferees.
- 9.7 The Transferor may withdraw within one month after the day of being informed to which Transferee or Transferees all the Shares to which the request for approval relates can be sold and at what price. The

Transferor is obliged to cooperate with the transfer of the Shares within two weeks after lapse of that term. If the Transferor does not withdraw timely, and does not meet his obligation to transfer within the said term, the Company shall be irrevocably authorised to transfer the Shares to the Transferee or Transferees. If the Management Board proceeds with such transfer, it shall immediately give notice thereof to the Shareholder concerned. If the Company effectuates the transfer, the Company is entitled to accept the purchase price on behalf of the party entitled thereto, under the obligation to forward the purchase price to such party, after deduction of the expenses chargeable to such party, as soon as possible but at the latest ten (10) business days after receipt of the bank account number designated by such party for this purpose.

- 9.8 All notifications and notices referred to in this Article 9 shall be made by certified mail or against acknowledgement of receipt. The convocation of the General Meeting shall be made in accordance with the provisions of these articles of association.
- 9.9 All costs of the appointment of the expert or experts, as the case may be, and their determination of the price, shall be borne by:
- (a) the Transferor if he withdraws;
  - (b) the Transferor for one half and the buyers for the other half, provided that if the Shares are purchased by one or more Transferees, each buyer shall contribute to such costs in proportion to the number of Shares purchased by that buyer;
  - (c) the Company, in cases not provided for under (a) or (b).
- 9.10 The preceding provisions of this Article 9 shall apply by analogy to rights to subscribe for Shares and rights of pre-emption.

## **10 Pledge and Usufruct**

- 10.1 The provisions of Article 8 shall apply by analogy to the pledging of Shares and to the creation or transfer of a usufruct in Shares.
- 10.2 The voting rights attributable to a Share may be assigned to the pledgee or the usufructuary with the approval of the General Meeting and otherwise with due observance of the provisions of the law.
- 10.3 Any pledgee or usufructuary with voting rights on Shares shall also have Meeting Right. Meeting Right may also be granted to the pledgee or usufructuary without voting rights on Shares with the approval of the General Meeting and otherwise with due observance of the provisions of the law.

## **11 Depositary Receipts**

- 11.1 The General Meeting has the authority to attach Meeting Right to Depositary Receipts. The General Meeting also has the authority to deprive Depositary Receipts of Meeting Right, provided that this authority has been reserved at the time the Meeting Right is attached, or with the consent of the relevant Depositary Receipts holder(s).
- 11.2 The transfer of a Depositary Receipt shall require a deed for that purpose to which those involved in the transfer shall be parties.
- 11.3 Unless the Company itself is party to the legal act, the Meeting Right attached to a Depositary Receipt can only be exercised after the Company has acknowledged said transfer or said deed has been served upon it in accordance with the provisions of the law.

## **12 Management Board Members**

- 12.1 The Management Board shall consist of one or more members. Both individuals and legal entities can be Management Board members.
- 12.2 Management Board members are appointed by the General Meeting.
- 12.3 A Management Board member may be suspended or dismissed by the General Meeting at any time. A Management Board member may also be suspended by the Supervisory Board. A suspension by the Supervisory Board may be discontinued at any time by the General Meeting.
- 12.4 The authority to establish a remuneration and other conditions of employment for Management Board members is vested in the General Meeting.

## **13 Duties and Decision-making of the Management Board**

- 13.1 The Management Board shall be entrusted with the management of the Company. In performing their duties the Management Board members shall act in accordance with the interests of the Company and the enterprise connected with it.
- 13.2 Each Management Board member may cast one vote in the Management Board.
- 13.3 All resolutions of the Management Board shall be adopted by more than half of the votes cast.
- 13.4 Management Board resolutions may be adopted outside of a meeting, in writing or otherwise, provided that the proposal concerned is submitted to all Management Board members then in office and none of them objects to this manner of adopting resolutions.
- 13.5 The Management Board may establish further rules regarding its decision-making process and working methods. In this context, the Management Board may also determine the duties for which each Management Board member in particular shall be responsible. The Supervisory Board may decide that such rules and allocation of duties must be put in writing and that such rules and allocation of duties shall be subject to its approval.
- 13.6 A Management Board member shall not participate in deliberations and the decision-making process in the event of a direct or indirect personal conflict of interest between that Management Board member and the Company and the enterprise connected with it. If there is such a personal conflict of interest in respect of all Management Board members, the decision shall be taken by the Supervisory Board.
- 13.7 The Management Board shall at least once a year inform the Supervisory Board in writing of the headlines of the strategic policy, the general and financial risks and the management and control system of the Company.
- 13.8 The Management Board shall act in accordance with and is bound to follow the guidelines provided by the Supervisory Board unless these guidelines are contrary to the interests of the Company and the enterprise connected with it.

## **14 Approval of Management Board Resolutions**

- 14.1 The Supervisory Board may require Management Board resolutions to be subject to its approval. The Management Board shall be notified in writing of such resolutions, which shall be clearly specified.

- 14.2 A resolution of the Management Board with respect to a matter involving a direct or indirect personal conflict of interest between one or more Management Board members and the Company and the enterprise connected with it shall be subject to the approval of the Supervisory Board.
- 14.3 The Management Board may enter into the legal acts referred to in Section 2:204 of the Dutch Civil Code without the prior approval of the General Meeting.
- 14.4 The absence of approval by the Supervisory Board for a resolution as referred to in this Article 14 shall not affect the authority of the Management Board or its members to represent the Company.
- 15 Representation**
- 15.1 The Company shall be represented by the Management Board. Each Management Board member shall also be authorised to represent the Company.
- 15.2 The Management Board may appoint officers with general or limited power to represent the Company. Each officer shall be competent to represent the Company, subject to the restrictions imposed on him. The Management Board shall determine each officer's title. Such officers may be registered at the Dutch trade register, indicating the scope of their power to represent the Company.
- 16 Vacancy or Inability of the Management Board Members**
- 16.1 If a seat is vacant on the Management Board (*ontstentenis*) or upon the Inability of a Management Board member, the remaining Management Board members or member shall temporarily be entrusted with the management of the Company.
- 16.2 If all seats on the Management Board are vacant or upon the Inability of all Management Board members or the sole Management Board member, as the case may be, the management of the Company shall temporarily be entrusted to the Supervisory Board, with the authority to temporarily entrust the management of the Company to one or more Supervisory Board members and/or one or more other persons.
- 17 Supervisory Board Members**
- 17.1 The Company shall have a Supervisory Board consisting of one or more members. Only individuals may be Supervisory Board members.
- 17.2 Supervisory Board members are appointed by the General Meeting.
- 17.3 Each Supervisory Board member may be suspended or dismissed by the General Meeting at any time.
- 17.4 The General Meeting may appoint one of the Supervisory Board members as chairperson of the Supervisory Board.
- 17.5 The General Meeting may establish a remuneration for Supervisory Board members.
- 18 Duties and Proceedings of the Supervisory Board**
- 18.1 The Supervisory Board shall have the duty to supervise the policies of the Management Board and the general course of affairs in the Company and the enterprise connected with it. The Supervisory Board shall assist the Management Board by giving advice. In performing their duties the Supervisory Board members shall act in accordance with the interests of the Company and the enterprise connected with it.
- 18.2 The Supervisory Board shall meet whenever a Supervisory Board member or the Management Board deems necessary.

- 18.3 A Supervisory Board member may be represented at a meeting by another Supervisory Board member authorised in writing.
- 18.4 The Supervisory Board shall meet with the Management Board as often as the Supervisory Board or the Management Board deems necessary.
- 18.5 Each Supervisory Board member may cast one vote in the Supervisory Board.
- 18.6 All resolutions of the Supervisory Board shall be adopted by more than half of the votes cast. At a meeting, the Supervisory Board may only pass valid resolutions if the majority of the Supervisory Board members then in office are present or represented.
- 18.7 Supervisory Board resolutions may also be adopted in a manner other than at a meeting, in writing or otherwise, provided that the proposal concerned is submitted to all Supervisory Board members then in office and none of them objects to the relevant manner of adopting resolutions.
- 18.8 The Supervisory Board may establish rules regarding its decision-making process and working methods.
- 18.9 A Supervisory Board member shall not participate in the deliberations and decision-making process in the event of a conflict of interest between that Supervisory Board member and the Company and the enterprise connected with it. If there is such personal conflict of interest in respect of all Supervisory Board members, the decision shall be taken by the Supervisory Board subject to the approval of the General Meeting.

**19 Vacancy or Inability of the Supervisory Board Members**

If a seat is vacant on the Supervisory Board (*ontstentenis*) or upon Inability of a Supervisory Board member, the remaining Supervisory Board members or member shall temporarily be entrusted with the performance of the duties and the exercise of the authorities of that Supervisory Board member. If all seats in the Supervisory Board are vacant or upon Inability of all Supervisory Board members or the sole Supervisory Board member, as the case may be, the General Meeting shall be authorised to temporarily entrust the performance of the duties and the exercise of the authorities of Supervisory Board members to one or more persons.

**20 Financial Year and Annual Accounts**

- 20.1 The Company's financial year shall be the calendar year.
- 20.2 Annually, not later than five months after the end of the financial year, unless by reason of special circumstances this period is extended by the General Meeting by not more than five months, the Management Board shall prepare annual accounts and deposit the same for inspection by the Shareholders at the Company's office.
- 20.3 Within the same period, the Management Board shall also deposit the management report for inspection by the Shareholders.
- 20.4 The annual accounts shall consist of a balance sheet, a profit and loss account and explanatory notes.
- 20.5 The annual accounts shall be signed by the Management Board members and the Supervisory Board members. If the signature of one or more of them is missing, this shall be stated and reasons for this omission shall be given.

- 20.6 Annually, the Supervisory Board shall prepare a report, which shall be enclosed to the annual accounts and the management report. Article 20.3 shall apply by analogy.
- 20.7 The Company may, and if the law so requires shall, appoint an accountant to audit the annual accounts. Such appointment shall be made by the General Meeting.
- 20.8 The General Meeting shall adopt the annual accounts. Signing of the annual accounts by the Management Board members and Supervisory Board members does not constitute as adoption by the General Meeting, not even when each Shareholder is also a Management Board member.
- 20.9 The General Meeting may grant full or limited discharge to the Management Board members and the Supervisory Board members for the management pursued and the supervision thereof, respectively.
- 20.10 The preceding provisions of this Article 20 shall not apply if Section 2:395a, Section 2:396 or Section 2:403 of the Dutch Civil Code applies to the Company and states otherwise.

## **21 Profits and Distributions**

- 21.1 The General Meeting has the authority to allocate the profits determined by adoption of the annual accounts. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at the latest immediately after the adoption of the annual accounts, the profits will be reserved.
- 21.2 The General Meeting has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Management Board. The Management Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

## **22 General Meetings**

- 22.1 At least one General Meeting, the annual General Meeting, shall be held or at least once a resolution shall be adopted in accordance with Article 28 during each financial year.
- 22.2 Other General Meetings shall be held as often as the Management Board or the Supervisory Board deems such necessary.
- 22.3 One or more Persons with Meeting Right representing individually or jointly at least one per cent (1%) of the Company's issued capital may request either the Management Board or the Supervisory Board in writing to convene a General Meeting, stating specifically the subjects to be discussed. If the Management Board or the Supervisory Board has not taken the necessary measures so that the meeting can be held within four weeks after receipt of the request, the applicants shall be authorised to convene a meeting themselves.

## **23 Notice and Venue of Meetings**

- 23.1 Notice of General Meetings shall be given by the Management Board or the Supervisory Board. Notice of General Meetings may also be given by persons to whom voting rights to Shares accrue, representing in the aggregate at least half of the Company's issued capital.



- 23.2 Notice of the meeting shall be given no later than on the eighth day before the date of the meeting.
- 23.3 The notice of the meeting shall specify the subjects to be discussed.
- 23.4 A subject for discussion of which discussion has been requested in writing not later than thirty days before the day of the meeting by one or more Persons with Meeting Right who individually or jointly represent at least one per cent (1%) of the Company's issued capital, shall be included in the notice or shall be notified in the same way as the other subjects for discussion, provided that no important interest (*zwaarwichtig belang*) of the Company dictates otherwise.
- 23.5 The notice of the meeting shall be sent by letters to the addresses of the Persons with Meeting Right, shown in the register referred to in Article 5. Persons with Meeting Right may be sent notice of the meeting by means of a legible and reproducible message electronically sent to the address stated by them for this purpose to the Company.
- 23.6 General Meetings are held in the municipality in which, according to these articles of association, the Company has its official seat. General Meetings may also be held elsewhere, provided that all Persons with Meeting Right have consented to the place of the meeting and prior to the decision-making process, the Management Board members and the Supervisory Board members have been given the opportunity to render advice.

## **24 Admittance and Meeting Right**

- 24.1 Each Person with Meeting Right shall be entitled to attend any General Meeting, to address that meeting and, if the voting rights accrue to him, to exercise his voting rights. Persons with Meeting Right may be represented in a General Meeting by a proxy authorised in writing.
- 24.2 At a meeting, each Person with Meeting Right or his representative must sign the attendance list. The chairperson of the meeting may decide that the attendance list must also be signed by other persons present at the meeting.
- 24.3 The Management Board members and the Supervisory Board members shall have the right to give advice in the General Meetings.
- 24.4 The chairperson of the meeting shall decide on the admittance of other persons to the meeting.

## **25 Chairperson and Secretary of the Meeting**

- 25.1 The General Meetings shall be directed by the chairperson of the Supervisory Board, or in the chairperson's absence, by the deputy chairperson. In the absence of both the chairperson and the deputy chairperson of the Supervisory Board, the chairperson of a General Meeting shall be appointed by the Supervisory Board members present at the meeting from their midst. The Supervisory Board may appoint another chairperson for any General Meeting.
- 25.2 In case the chairmanship of a meeting is not provided for in accordance with Article 25.1, the chairperson of a meeting shall be appointed by more than half of the votes cast by the persons with voting rights present at the meeting. Until such appointment is made, a Management Board member shall act as chairperson, or, if no Management Board member is present at the meeting, the eldest person present at the meeting shall act as chairperson.

25.3 The chairperson of the meeting shall appoint a secretary for the meeting.

**26 Minutes and Recording of Shareholders' Resolutions**

26.1 The secretary of a General Meeting shall keep minutes of the proceedings at the meeting. The minutes shall be adopted by the chairperson and the secretary of the meeting and as evidence thereof shall be signed by them.

26.2 The Management Board shall keep record of all resolutions adopted by the General Meeting. If the Management Board is not represented at a meeting, the chairperson of the meeting or the chairperson's representative shall ensure that the Management Board is provided with a transcript of the resolutions adopted, as soon as possible after the meeting. The records shall be deposited at the Company's office for inspection by the Persons with Meeting Right. Each of them shall be provided with a copy of or an extract from the records upon request.

**27 Resolutions**

27.1 Each Share confers the right to cast one vote.

27.2 To the extent that the law or these articles of association do not require a qualified majority, all resolutions of the General Meeting shall be adopted by more than half of the votes cast.

27.3 If there is a tie in voting, the proposal shall be deemed to have been rejected.

27.4 If the formalities for convening and holding of General Meetings, as prescribed by law or these articles of association, have not been complied with, valid resolutions by the General Meeting may only be adopted in a meeting if all Persons with Meeting Right have consented to the decision-making process taking place and prior to the decision-making process, Management Board members and Supervisory Board members have been given the opportunity to render advice.

27.5 No voting rights may be exercised in the General Meeting for any Share held by the Company or a subsidiary, nor for any Share for which the Company or a subsidiary holds the Depositary Receipts. However, pledgees and usufructuaries of Shares owned by the Company or a subsidiary are not excluded from exercising the voting rights, if the right of pledge or the usufruct was created before the Share was owned by the Company or such subsidiary. The Company or a subsidiary may not exercise voting rights for a Share in which it holds a right of pledge or a usufruct.

**28 Resolutions Without Holding Meetings**

28.1 Shareholders' resolutions may also be adopted in a manner other than at a meeting, provided that all Persons with Meeting Right have given consent to such decision-making process in writing. The votes shall be cast in writing. Prior to the adoption of resolutions, Management Board members and Supervisory Board members shall be given the opportunity to render advice.

28.2 For the purposes of Article 28.1 the requirement of votes to be cast in writing shall also be met in case the resolution is recorded in writing or electronically, indicating the manner in which each vote is cast and such resolution is signed by all Persons with Meeting Right.



- 28.3 As soon as the Management Board is acquainted with the resolution it shall keep record thereof and add such record to those referred to in Article 26.2.

**29 Amendment Articles of Association**

The General Meeting may resolve to amend these articles of association. When a proposal to amend these articles of association is to be made at a General Meeting, this must be stated in the notice of such meeting. Simultaneously, a copy of the proposal, including the verbatim text thereof, shall be deposited and kept available at the Company's office for inspection by the Persons with Meeting Right, until the end of the meeting.

**30 Dissolution and Liquidation**

- 30.1 The Company may be dissolved pursuant to a resolution to that effect by the General Meeting. When a proposal to dissolve the Company is to be made at a General Meeting this must be stated in the notice of such meeting.
- 30.2 If the Company is dissolved pursuant to a resolution of the General Meeting, the Management Board members shall become liquidators of the dissolved Company's property. The General Meeting may decide to appoint other persons as liquidators.
- 30.3 During liquidation, to the extent possible the provisions of these articles of association shall continue to apply.
- 30.4 The balance remaining after payment of the debts of the dissolved Company shall be transferred to the Shareholders in proportion to the aggregate nominal value of the Shares held by each.

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**17        DOCUMENTS INCORPORATED BY REFERENCE**

- (a)    A digital copy of the articles of association (*statuten*) of the Company, as most recently amended on 13 May 2016 (the Articles of Association), available on the Company's website at [www.refresco.com](http://www.refresco.com)

