

Message from the CEO

Dear stakeholder,

2017 was strategically a very good and financially challenging year for Refresco. We signed a transformational deal with Cott to acquire their bottling activities, creating the world's largest independent bottler with leading positions in Europe and North America. As a result we grow considerably, gain 4,000 new colleagues, 29 manufacturing sites and fulfil our ambition to operate a market leading bottling platform across two continents. Being able to acquire the bottling activities of Cott has been a wish for many years. It is right at the heart of our buy & build strategy and a perfect next step for our business. I am thrilled that we could make it happen.



YEAR 2017 IN SUMMARY

Financially, the year was challenging. This was due to a weak summer in almost all markets and continued pressure on retailer brands that had an adverse effect on volumes and results. Our results were also influenced by higher than expected costs linked to the start-up of several aseptic PET lines across the business. This technology is growing in popularity and is critical to our future because it enables us to move away from carton which is declining rapidly and to meet changing consumer preferences for more innovative recipes and packaging formats.

We have made very good progress on our innovation agenda, developing in-depth knowledge and a clear product proposition in the natural and lower sugar categories, which provide an alternative to carbonated soft drinks. Water plus, plant and protein drinks, organic and ice tea are just a few examples.

This year we have also put a lot of emphasis on improving our safety culture. I am pleased with the progress made because this is extremely important for the sustainability of our business and remains one of our top priorities for the year ahead. I am also pleased with our improved Great Place to Work results. Our participation rate has gone up as did our trust index score.

THE YEAR AHEAD

In October 2017 Refresco and consortium of PAI and bcIMC announced the public offer for all the shares of Refresco by the consortium. The offer provides Refresco shareholders with a fair price for their shares including an attractive premium. The consortium has fully committed financing in place, providing high deal certainty and facilitating a swift and efficient transaction process to completion. The consortium will support the company in the execution of its existing buy & build strategy and is able to provide Refresco with expertise and access to capital in support of continued capital expenditures, investments and execution.

We are convinced that this is a good transaction for the company and its stakeholders. Our focus of growing alongside our customers in current and expanding markets remains unchanged and I look forward to this new phase of private ownership and to the opportunities ahead of us for our customers and employees.

I would like to thank all the Refresco employees for their dedication in serving our customers and commitment to further growing and improving our business. I would also like to extend a warm welcome to all our new colleagues joining from the Cott bottling business. They will add new capabilities and expertise and will undoubtedly be a great addition to Refresco.

I am excited about the future ahead and to taking the next steps on the journey towards our vision: our drinks on every table.

Hans Roelofs,
Chief Executive Officer