

Message from the CEO

Dear stakeholder,

Looking back on the 2016 results and our strategic objectives, we are pleased to report good progress. Our strategy to rapidly grow the Co-Packing business is contributing very positively to volume and revenue visibility. We made two strategic acquisitions, in the Netherlands and the US, which further strengthen our market positions and customer offering. In our operations, continued optimization of our footprint and supply chain has helped us to maintain our cost leadership. One of the highlights of the year was the inclusion of the Refresco share in the Euronext AMX Index.

YEAR 2016 IN SUMMARY

For Refresco 2016 was a year of many milestone events in a challenging market. We continued to execute on our buy & build strategy with the announcement of four transactions in the US and Europe. In the US, a new geography for Refresco, we acquired Whitlock Packaging. In Europe we acquired DIS in the Netherlands and we invested in a strategic asset including long term Co-Packing agreements in Germany. Furthermore we announced the purchase of a bottling facility in Italy.

These acquisitions and investments contributed to the strong growth of Co-Packing, in line with our strategic priority to grow Co-Packing volumes faster than Private Label. Private Label had a difficult start of the year due to our commercial decision to let go of some lower margin contracts in water and CSD and challenging market conditions.

In May 2016 we held our first Annual General Meeting of Shareholders where a number of resolutions including the name change from Refresco Gerber N.V. into Refresco Group N.V., the proposal to pay dividend for the first time and the appointment of our first female Supervisory Board member were approved by our shareholders. A further milestone was the inclusion of the Refresco share in Euronext's AMX index, reflecting the growing interest of the financial markets in our company.

We view our employees as key to our success. In 2016 we carried out for the first time a Group-wide employee survey to guide us and to help us understand our employees better and ultimately make Refresco a better place to work.

Building on our track record of 16 years, we aim to create long-term shareholder value through profitable, responsible growth and acquisitions. To do so, we will capitalize on our market leadership and continue to work together and build close relationships with our customers.

One example of working closely with our stakeholders is our newly developed approach to sustainability that combines local efforts under one program that we can apply consistently across the business. You can read more about the sustainability framework on pages 26 – 36 of this report.

THE YEAR AHEAD

There are many reasons to be excited about the future of our business. We have entered the US where we see ample opportunities to grow and add value. Building on our US footprint, our ambition is to create a solid platform similar to the one we have in Europe. At the same time we will continue to look for opportunities to strengthen our market position in Europe via selective add-on acquisitions and organic growth.

Hans Roelofs,
Chief Executive Officer