## INTRODUCTION

This is an extract from an Offering Memorandum for €255.0 MILLION (EQUIVALENT) SENIOR SECURED NOTES DUE 2020 which was launched earlier today. We have provided in this extract updated risk factors and pro forma numbers related to the acquisition of Peters Food Group Limited, a company incorporated in Australia. This extract is being provided for the benefit of existing bondholders on a one-time supplemental basis and is not intended to create an expectation of any future additional provision of information by us related to any corporate action that may be undertaken in the future.

## FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes "forward-looking statements" within the meaning of the U.S. securities laws and the laws of certain other jurisdictions, which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this Offering Memorandum including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditure, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. Words such as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk", and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. These statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements. Factors that could cause such differences in actual results include:

- our inability to address significant changes in consumer preferences;
- increased price, or decreased availability, of commodities we use to produce our products;
- adverse changes in general economic conditions and/or reductions in consumer spending;
- our ability to accurately predict demand for our summer selling season;
- inclement weather in the regions in which our ice cream is sold;
- our inability to effectively compete in our highly competitive industry;
- the size and sophistication of our customers;
- the loss of any of our major customers;
- our dependence on the value and perception of our brands;
- our reliance on licences from third parties;
- change of control provisions in our contracts;
- detrimental fluctuations in currency exchange rates;
- increased shipping prices or disrupted shipping services;
- significant damage to any of our plants;
- significant charges incurred due to the closing or divesting of all or a portion of a manufacturing plant or facility;
- the shipment of contaminated products or lawsuits relating to product liability;
- health concerns which may cause a decreased demand for our products;
- the damaged image or reputation of our customers, which could adversely affect the sales of our products;
- our failure to comply with existing or future government regulations;
- costs and liabilities imposed by environmental regulations;
- our inability to retain or attract key personnel;
- our inability to adequately protect our confidential information due to the absence of patent protection;
- our inability to successfully integrate our recently acquired businesses;
- our inability to maintain adequate infrastructure and resources to support any future growth;
- our inability to realise anticipated synergies from cost improvement measures;
- adverse economic, social or political conditions in any of the several different countries in which we operate;
- disruptions in our information technology systems;
- other risks associated with our financing, the Notes and our structure discussed under "Risk Factors"; and
- other risks associated with the Peters Acquisition discussed under "Risk Factors".

## DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

The following terms used in this Offering Memorandum have the meanings assigned to them below:

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|---|---|
| "Additional Guarantees" | The guarantees to be provided by the Post-completion Guarantors following completion of the Peters Acquisition. |
| "Adjusted EBITDA" | EBITDA plus those additional supplemental adjustments identified in footnote (2) of the tables entitled "Other Financial and Pro Forma Information for R&R Ice Cream" and "Other Financial and Pro Forma Information for Peters" in "Summary Historical Consolidated Financial and Other Information". See also "Presentation of Financial Information and Other Data—Non-IFRS Financial Information". |
| "AUD Notes" | The Issuer's AUD million aggregate principal amount of % Senior Secured Notes due 2020. |
| "Australian dollar" or "AUD" | The currency of the Commonwealth of Australia. |
| "Australian GAAP" | Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. |
| "British Pound" or "£" | The currency of the United Kingdom. |
| "Collateral" | The collateral with respect to the Notes, which will also secure the Revolving Facility Agreement, which on the Issue Date, will be comprised of a pledge of all the capital stock of the Issuer and certain of its subsidiaries and certain other assets of the Issuer and its subsidiaries as described in "Description of the Notes—Security". |
| "Company", "Issuer", "Group", "R&R", "we", "us" or "our" | Each of these terms refer to (i) R&R Ice Cream plc and its subsidiaries (including any of their respective predecessors) on a consolidated basis when such references are used in a historical context prior to the completion of the Peters Acquisition and (ii) to R&R Ice Cream plc and Peters Food Group Limited and their respective subsidiaries (including any of their respective predecessors) when such references are used in a forward-looking context following completion of the Peters Acquisition. |
| "Completion Date" | The date on which the Peters Acquisition is completed. |
| "continental Europe" | When referring to sales of our products or data derived therefrom, refers to Europe, excluding the United Kingdom and the Republic of Ireland. |
| "dairy products" | Milk and foodstuffs derived from milk, including but not limited to cream, milk powder and butter. |
| "Eskigel" | Eskigel S.r.l. |
| "euro", "EUR" or "€" | The currency of the European Union member states participating in the European Monetary Union. |
| "Euro Notes" | The Issuer's € million aggregate principal amount of % Senior Secured Notes due 2020. |
| "Existing Factoring Facilities" | The existing factoring arrangements of our subsidiaries as described in "Description of Other Financing Arrangements—Existing Factoring Facilities". |
| "Existing PIK Notes" | The existing 9¼%/10% senior PIK Toggle notes due 2018, issued by R&R PIK plc on May 10, 2013 in an aggregate principal amount of €253,000,000. |
| "Existing PIK Notes Indenture" | The indenture dated May 10, 2013, as amended from time to time, governing the Existing PIK Notes. |

"Existing Senior Secured Notes" . . . . The existing 5½% senior secured notes due 2020, issued by R&R Ice Cream plc on May 14, 2014 in an aggregate principal amount of £315,000,000.

"Existing Senior Secured Notes Indenture" . . . . . The indenture dated May 14, 2014, as amended from time to time, governing the Existing Senior Secured Notes.

"Existing Senior Secured Notes/RCF Collateral" . . . . . The capital stock of the Issuer and certain of its subsidiaries and certain other assets of the Issuer and its subsidiaries, which have been granted as security for the benefit of the Existing Senior Secured Notes and the Revolving Credit Facility.

"Financing" . . . . . The financing transactions contemplated in connection with the Peters Acquisition, as described more fully under "The Peters Transactions—the Financing".

"Fredericks" . . . . . Fredericks Holdings (Guernsey) Limited, Fredericks Holdings Limited and Fredericks Dairies Limited.

"free cash flow" . . . . . Net increase in cash and cash equivalents before net cash flow from financing activities.

"free cash flow before acquisitions" . . Free cash flow before cash flows used to acquire subsidiaries, net of cash acquired.

"French Factoring Agreement" . . . . . The non-recourse invoice discounting agreement between Rolland and HSBC Factoring (France) SA, dated May 4, 2012. See "Description of Other Financing Arrangements—Existing Factoring Facilities".

"German Factoring Agreement" . . . . . The non-recourse invoice discounting agreement between R&R Ice Cream Deutschland GmbH and HSBC Trinkaus & Burkhardt AG dated February 4, 2013. See "Description of Other Financing Arrangements—Existing Factoring Facilities".

"Guarantors" . . . . . The Initial Guarantors and the Post-completion Guarantors.

"historical" . . . . . When referring to financial data, means information resulting from actual past events (as opposed to pro forma information).

"IFRS" . . . . . International Financial Reporting Standards as adopted by the European Union, including interpretations of the International Financial Reporting Interpretations Committee.

"impulse" . . . . . When used to describe ice cream or the ice cream market, refers to ice cream products purchased impulsively by consumers for the purpose of immediate consumption.

"Indenture" . . . . . The indenture governing the Notes offered hereby.

"Initial Guarantors" . . . . . The Notes will be guaranteed jointly and severally on a senior secured basis on the Issue Date by the following subsidiaries of the Issuer: R&R Ice Cream UK Limited, Richmond Foods Limited, Ruby Acquisitions Limited, Kelly's of Cornwall Limited, Fredericks Holdings Limited, Fredericks Dairies Limited, R&R Holdings France SAS, R&R Ice Cream France SAS, R&R Rolland France SAS, Rolland SAS, Soparo SAS, Weidenglück UG (haftungsbeschränkt) & Co. KG, R&R Holdings Deutschland GmbH, R&R Ice Cream Deutschland GmbH, Zielona Budka (Mielec) Sp. z o.o., Eskigel Holding S.p.A., Riviera Holdings (Aus) Pty Ltd, Riviera (Aus) Pty Ltd and R&R Ice Cream Jersey Limited.

"Initial Purchasers" . . . . . Collectively refers to Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, J.P. Morgan Securities plc and MCS Capital Markets LLC.

"Intercreditor Agreement" . . . . . The Intercreditor Agreement among the Issuer, as the borrower, the Guarantors, Barclays Bank PLC, as administrative agent under the Revolving Facility Agreement, the lenders under the Revolving Facility Agreement, the Trustee (on behalf of itself and the holders of the Notes) and the Security Trustee, dated November 5, 2010, as amended on May 9, 2013, as amended and restated May 14, 2014, and as may be further amended from time to time.

"Issue Date" . . . . . .The date on which the Notes offered hereby are issued.

"Issuer" . . . . . R&R Ice Cream plc.

"Kelly's" . . . . . Kelly's of Cornwall Limited.

"Notes" . . . . . The Issuer's Euro Notes and AUD Notes offered hereby.

"Offering" . . . . . The offering of the Notes by the Issuer and the application of the net proceeds therefrom in the manner set forth herein under the heading "Use of Proceeds".

"PAI" or the "Sponsor" . . . . . .PAI Partners SAS, and, where applicable, the funds and limited partnerships managed or advised by it.

"Peters" . . . . . Peters Food Group Limited and its subsidiaries on a consolidated basis, except where the context indicates otherwise.

"Peters Acquisition" . . . . . The proposed acquisition by the Purchaser of all of the Sale Shares of Peters, as described more fully under "Summary—The Peters Transactions".

"Peters EBITDA" . . . . . Profit/(loss) for the period of Peters before income tax (credit) charge, net finance expenses and depreciation and amortisation.

"Pilpa" . . . . . .Pilpa SAS.

"Post-completion Guarantors" . . . . . Peters Food Group Limited, Food Mezzco Pty Ltd, New Holdco Pty Limited and Australasian Food Group Pty Ltd.

"Purchaser" . . . . . Riviera (Aus) Pty Ltd, an indirect subsidiary of the Issuer.

"R&R Acquisition" . . . . . .The acquisition of all the issued and outstanding shares of, and preferred equity certificates issued by, R&R Ice Cream S.à r.l. and all of the issued and outstanding shares of, and preferred equity certificates issued by, OCM Luxembourg Ice Cream S.C.A. (save for the shares currently held by R&R Ice Cream S.à r.l.), by PAI on July 11, 2013.

"R&R Acquisition Completion Date" The date the R&R Acquisition was completed, which was on July 11, 2013.

"R&R EBITDA" . . . . . .Profit/(loss) for the period of R&R before income tax/(credit) charge, net finance expenses, depreciation, amortisation and impairment and profit/(loss) on disposal of property, plant and equipment.

"Repaid 2010 Notes" . . . . . .The 8⅜% senior secured notes due 2017, issued by R&R Ice Cream plc on November 5, 2010 in an aggregate principal amount of €350,000,000, which were fully redeemed on June 5, 2014.

"Revolving Credit Facility" . . . . . The revolving credit facility governed by the Revolving Facility Agreement, providing for up to €60.0 million in revolving loans on a committed basis with allowance for borrowings of an additional €15.0 million on an uncommitted basis, which loans are secured by a first priority lien on the Collateral. See "Description of Other Financing Arrangements—Revolving Credit Facility".

"Revolving Facility Agreement" . . . . . The agreement governing the Revolving Credit Facility by and between the Issuer, the Guarantors, the other companies named therein, Barclays Bank PLC, Credit Suisse International and HSBC Bank plc, as mandated lead arrangers, the financial institutions

named therein, as original lenders, Barclays Bank PLC, as agent and security trustee, and an issuing bank, dated October 25, 2010, as amended and restated on November 5, 2010, as further amended on March 30, 2012, April 26, 2013, May 2, 2014 and May 13, 2014, and as may be further amended from time to time.

"Rolland" . . . . . Rolland SAS.

"Sale Shares" . . . . . All of the fully paid ordinary shares of Peters, which Riviera (Aus) Pty Ltd, a wholly owned subsidiary of the Issuer, intends to acquire pursuant to the SPA.

"Security Trustee" . . . . . Barclays Bank PLC.

"Seller" . . . . . Certain funds and entities managed and advised by Pacific Equity Partners and certain member of Peters' senior management team.

"Shareholder Funding" . . . . . The aggregate of approximately €61.6 million of shareholder funding comprised of: (i) PAI and its co-investors contributing approximately €35.6 million to an indirect parent of the Issuer (€1.6 million of which R&R management will have the opportunity to subscribe for), which will then be provided to the Issuer in the form of an interest-free subordinated shareholder loan, (ii) an indirect parent of the Issuer providing an additional €20 million of cash from its balance sheet to the Issuer in the form of an interest-free subordinated shareholder loan, and (iii) Peters management subscribing for approximately €6 million of ordinary shares in an indirect parent of the Issuer, which will also be provided to the Issuer in the form of an interest-free subordinated shareholder loan.

"SPA" . . . . . The sale and purchase agreement entered into by the Purchaser, the Issuer, as guarantor, and the Seller pursuant to which the Purchaser will acquire all of the Sale Shares of Peters.

"take-home" . . . . . Refers to ice cream products that are meant to be consumed at home, normally through multiple servings, including ice cream tubs and multi-packs of ice cream cones, ice lollies, ice cream sticks and ice cream desserts.

"Trustee" . . . . . Deutsche Trustee Company Limited.

"U.K. Factoring Agreement" . . . . . The non-recourse invoice discounting agreement between R&R Ice Cream UK Limited and Barclays Bank plc, dated March 30, 2012. See "Description of Other Financing Arrangements—Existing Factoring Facilities".

"Vendor Note" . . . . . The £50.0 million vendor loan note issued by Riviera Acquisitions Limited (previously known as DMWSL 720 Limited) to an affiliate of our former owner in connection with the R&R Acquisition.

"yoomoo" . . . . . Yoomoo International Limited.

## Recent Developments

### *R&R Ice Cream plc*

The information below regarding our operating and financial performance for the months of April and May 2014 is based on internal management accounts and is subject to change when the final accounts for the three months ended June 30, 2014 have been completed. Our internal management accounts are not prepared in accordance with IFRS and have not been reviewed by our auditors.

Our revenue was €91.2 million for the month of April 2014, an increase of €15.1 million compared to our revenue of €76.1 million for the month of April 2013, primarily reflecting effects of the acquisition of Fredericks in July 2013. In addition, €1.0 million was due to a more favourable exchange rate used to translate results from our business in the United Kingdom in the month of April 2014 (1.2128 euros to 1.00 British Pound) compared to April 2013 (1.1771 euros to 1.00 British Pound).

Our R&R Adjusted EBITDA was €18.8 million for the month of April 2014, an increase of €5.6 million compared to our R&R Adjusted EBITDA of €13.2 million for the month of April 2013. Approximately half of this improvement is due to our results in the United Kingdom, which have grown as a result of the acquisition and integration of the Fredericks business. In addition to Fredericks, approximately €0.2 million of our R&R Adjusted EBITDA growth was attributable to more a favourable exchange rate used to translate results from our business in the United Kingdom in April 2014 compared to April 2013.

R&R Pro Forma Adjusted EBITDA and R&R pro forma revenue for the twelve months ended April 30, 2014 were approximately €111.5 million and €724.6 million, respectively.

Our R&R Adjusted EBITDA for the month of May 2014, was €15.6 million, an increase of €3.1 million compared to our R&R Adjusted EBITDA of €12.5 million for the month of May 2013. We estimate that approximately half of this improvement is due to the growth of our United Kingdom business, €0.2 million is due to the more favourable exchange rate used to translate the results from our business in the United Kingdom in May 2014 compared to May 2013. The remainder was attributable to organic growth and factory closure savings in mainland Europe.

As of May 31, 2014, we had €27.0 million of borrowings drawn under the Revolving Credit Facility and we expect to repay approximately €7 million on or prior to the Issue Date, resulting in approximately €20 million in total borrowings and approximately €40 million in undrawn capacity under our Revolving Credit Facility. See "Description of Other Financing Arrangements—Revolving Credit Facility". As of May 31, 2014, €60.0 million was advanced under our Existing Factoring Facilities and we expect to draw an additional approximately €10 million on or prior to the Issue Date in connection with peak working capital funding, resulting in approximately €70 million in total amounts drawn under our Existing Factoring Facilities. See "Description of Other Financing Arrangements—Existing Factoring Facilities".

On May 14, 2014, we issued the Existing Senior Secured Notes. The proceeds from the Existing Senior Secured Notes, together with borrowings under our Existing Factoring Facilities, were used to purchase and redeem all of the Repaid 2010 Notes, which was completed on June 5, 2014.

The Pro Forma Adjusted EBITDA for the twelve months ended April 30, 2013 on a pro forma combined basis for R&R and Peters was €147.5 million.

## RISK FACTORS

*An investment in the Notes involves a high degree of risk. You should carefully consider the following risks, together with other information provided to you in this Offering Memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could materially adversely affect our business, financial condition or results of operations. If these events occur, the trading price of the Notes could decline, and the Issuer may not be able to pay all or part of the interest or principal on the Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.*

### RISKS RELATING TO OUR BUSINESS

***A failure to address consumer preferences effectively, or significant changes in customer preferences away from ice cream, could have a significant adverse impact on our business.***

We rely on continued consumer demand for our products. We market our products in several different markets, each of which has its own prevailing ice cream tastes and preferences. If we are not able to effectively produce and market products that meet the desires of consumers in each of our markets, our operating results will be adversely impacted.

Consumer preferences for ice cream products change from time to time, and our failure to anticipate, identify or react to these changes could result in reduced demand for our products. Successfully introducing innovative products on a regular basis is important to our ability to maintain our level of sales. As a result, the future degree of market acceptance of any of our new products, which may be accompanied by significant promotional expenditures, is likely to have an important impact on our future financial results. Our private label customers often specify their own ice cream flavours and formulas for us to produce and distribute. These customers may fail to respond to or misinterpret consumer preferences, which could have a material adverse effect on the amount of that private label ice cream that we sell. In addition, a shift in consumer preferences away from private label products in general could have a material adverse impact on our business.

If general demand for ice cream consumption in our markets falls substantially below current levels, our results could be negatively impacted. The popularity of ice cream is impacted by a variety of factors, and could decline as a result of lifestyle, nutrition and health considerations. For example, demand for our products could also be affected by concerns regarding the health effects of trans fats and sugar content. Any decline in the popularity of frozen desserts could have a significant impact on our customers and could have a material adverse impact on our business, financial condition and results of operations.

***An increase in the price or a decrease in the availability of commodities we use to produce our products could result in a decrease in profitability and jeopardise our ability to maintain or expand our business.***

Raw materials comprised 62% of our total costs of sales for the year ended December 31, 2013. Commodities, such as milk, cream, granulated sugar, glucose, cocoa, eggs, butter, coconut oil and palm oil, which we use in the production of our ice cream products, are subject to price and supply fluctuations. In addition, the prices of fuels used in the manufacture and distribution of our products and the materials used by us to produce our products are subject to fluctuation. Fluctuations in the price and availability of commodities can be caused by changes in levels of global supply and demand, the operations of our suppliers, governmental agricultural policies, political and economic conditions in certain commodity-producing regions and acts of God such as severe weather conditions and natural disasters. Our largest category of unhedged raw materials are certain dairy products, for which sufficient financial hedge instruments currently do not exist in Europe, and this comprised 16% of our cost of sales in 2013. Dairy is also a key input for the Peters business, and although Peters is able to enter into fixed price contracts for some dairy products and certain other products, Peters is not able to hedge against all dairy price risks, other than fixing price and volume over a contracted period. Dairy prices in Europe showed significant volatility in 2012. Prices of butter decreased from approximately €3,500 per ton in January 2012 to €2,500 per ton in May 2012 but returned to €3,400 per ton by December 2012. Prices of skimmed whey powder steadily increased from approximately €2,400 per ton in January 2012 to a peak of €2,750 in October 2012, receding to €2,650 per ton by the end of the year. Dairy prices also increased in 2013 as prices of Euro skimmed milk powder increased from €2,700 per tonne at the start of 2013 to €3,300 in December 2013, an increase of 22%. Dairy prices in the southern Australian states have similarly increased. Prices of butter have increased from approximately AUD 3,000 per ton in July of 2012 to approximately AUD 5,000 per ton in early 2014. Skim Milk Powder ("SMP") and Whole Milk Powder ("WMP") had similar increases from a low of approximately AUD 2,800 per ton and AUD 2,900 per ton respectively in mid-2012 to highs of AUD 5,500 per ton and AUD 5,700 per in early 2014. Dairy Australia issues a monthly "Indicative International Spot Price Report" and combined with Global Dairy Trade (GDT) data forms the basis of pricing discussions and

price review mechanisms. While Peters once had a sourcing advantage because it is located in the south of Australia (approximately two thirds of the total milk production output is from Victoria production regions) and had access to less expensive dairy products, the increased dairy cost in the southern states has diminished that advantage as very strong demand for whole milk powders, protein powders and baby formula from Asian countries puts upward pressure on pricing.

In addition to dairy, R&R's and Peters' key inputs include sugar, resins and paperboard. Peters generally purchases sugar and sugar derivatives based on forward contracts with suppliers for periods of up to 12-18 months. Peters has adopted a rolling forward cover plan for major commodities such as sugar, looking out two years and making recommendations to take forward positions based on recent, current and anticipated market conditions, the primary objective of which is to mitigate against unforeseen exposure. Resin is a derivative of crude oil and therefore fluctuates with the price of crude oil. An increase in the price of crude oil could affect R&R's or Peters' product margin and results of operations. Peters has a "rise and fall mechanism" for its rigids category (plastic tubs), which is inclusive of a resin price review.

If prices of the commodities we use to produce our products increase, we may not be able to increase our prices in time to offset our costs to produce those products, or at all. For example, certain of our products contain prices that are pre-printed on their packaging, which makes prices on those products difficult to change.

In addition, we generally enter into twelve-month contracts for sales of our products to our German, French and Italian customers, and thirteen-week rolling contracts for sales of our products to our United Kingdom customers. We generally enter into rolling written agreements with our retail customers in Poland which are terminable on one to three months' notice depending on the customer. These contracts often require us to sell products at prices that are fixed at the time we enter into the contracts. As a result, if our costs of production increase during the term of the contract, we may not be able to pass these increased costs through to our customers. Our ability to pass through to our customers any increase in raw materials costs would also depend upon competitive conditions and pricing methods employed in the various markets in which we sell our products. Consequently, a material price increase or a prolonged supply disruption could result in a decrease in profitability and jeopardise our ability to maintain or expand our business.

***Adverse changes in general economic conditions and/or reductions in consumer spending could result in reductions in ice cream sales compared to historical levels.***

Recent adverse economic conditions have negatively impacted consumer markets and resulted in a reduction in consumer spending. Our business is dependent on the continued consumer demand for ice cream and reduced disposable income may result in our consumers becoming unwilling or unable to purchase our products. In the event consumers no longer believe they have disposable income to spend on our products, our profits, profit margins and revenues may be adversely affected. In addition, we derive a majority of our revenue from sales in the United Kingdom, Germany, France, Italy, and following the Peters Acquisition, Australia, and any continued economic downturns in those markets could have an adverse effect on our sales.

The current uncertainty in the global economic conditions (in particular in the Eurozone) also poses a risk to our commercial relationships with our customers, suppliers and creditors. If the current economic situation deteriorates significantly, or if our retailer customers or raw material suppliers are forced to cease doing business, our business would be materially adversely impacted. The financial condition of some of our customers may expose us to credit risk. If our customers suffer financial difficulty, they may not pay us, which would have a material adverse effect on our results of operations.

***Our operating results vary by season, and if we do not accurately predict demand for our summer selling season our operating results may be negatively affected.***

The ice cream business is seasonal, and the majority of our annual sales are generally generated in the summer months. As a result, we have historically earned our largest portion of revenues from April 1 to September 30 of each year. For example, in the years ended December 31, 2011, 2012 and 2013, 66%, 66% and 70% of our revenues were earned during this period. Sales in certain of our markets are more seasonal than others. For example, sales of our take-home products in the United Kingdom are less seasonal than sales of our impulse products. Based on the last two calendar years, Peters' sales were skewed 45% to the first half of the year and 55% to the second half of the year. The peak sales month occurs in January each year due to the Australian summer holiday period. Other key sales months during the year, in declining order, include December, October, due to sales in to the grocery channel prior to the peak season, November and February. These five key sales months account for approximately 53% of each calendar year's sales for Peters.

Furthermore, our cash requirements for the year typically peak in May, which is before our summer sales period. Because we enter into purchase commitments for raw materials in advance of the summer selling season,

our expense levels are substantially based on our expectations for future revenues. In addition, a significant proportion of our factory workforce across our enterprise is employed on a seasonal basis. We hire workers in advance of the summer season based on our expected volumes during that summer. Therefore, our costs are relatively fixed in the short-term in advance of each summer season. If we do not achieve our expected revenue levels during the subsequent selling season, our results are likely to be adversely affected. Although we are able to shorten the work period for our seasonal workers if our inventory requirements exceed our projections, we are required to make these judgments early in the summer season. Our judgments may not be accurate, and may result in an inability to satisfy customer demands because of insufficient inventory.

***Ice cream sales may be materially adversely affected by inclement weather.***

The levels of ice cream sales in our markets are significantly affected by fluctuations in weather. Inclement weather, particularly during the summer months, may adversely affect our business. Hours of sunshine, temperature and rainfall are the most important weather factors during our summer selling season. For example, our results of operations for the year ended December 31, 2012 sunshine hours were much lower than average, with lower temperatures in the United Kingdom. The 2012 summer was the wettest summer recorded in the United Kingdom since 1912. Our results for the first half of the year ended December 31, 2013 were also adversely affected by weather. In the middle of the key selling season, Germany experienced the worst spring in 50 years and suffered severe flooding. German insurer Munich Re described the flooding as the most expensive natural disaster in German history. The poor early season weather also impacted the Italian market as a whole, forcing our branded competitors to double their promotion levels taking their branded price points to levels similar to our private label price points, and our sales suffered accordingly. Because we rely on the summer months for a significant portion of our sales, if the weather in our markets is too cold or too wet during that period consumers may not purchase as much ice cream as they have in previous summers, and as a result our revenues will be adversely affected.

***We operate in a highly competitive industry and our market share and results of operations could be adversely affected if we fail to compete effectively in the future.***

Our products compete on the basis of brand image, quality, breadth of flavour selection, delivery timeliness and price. The ice cream industry is highly competitive and ice cream manufacturers include full line dairies, major food-producing corporations and independent ice cream processors, many of which are capable of manufacturing and marketing a variety of ice creams. Some of our competitors have greater financial, marketing and other resources available. For example, our key competitors throughout Europe include Unilever and Nestlé and in Australia include Unilever and Bulla. Unilever has substantial financial, marketing and other resources and established brand names. Unilever sells branded ice cream in almost every country in Europe and in Australia. These competitors could use their significant resources to increase their marketing, develop new products or reduce their prices in a manner that adversely impacts our ability to sell our products at prices that generate the same margins we have earned in the past, or at all. It may be possible for our current or future competitors to develop new product manufacturing technology or processes that may allow them to offer ice cream at a cost or quality that has a significant advantage over our products. We cannot assure you that we will continue to be able to compete successfully against existing or future competitors.

Certain of our competitors could produce new products that compete directly with our products, or new competitors could choose to enter our markets. For example, Unilever does not currently produce private label ice cream in Europe, but if it decided to enter into the private label market, it could use its substantial resources to challenge our customer relationships and our profitability. It could potentially offer lower prices on private label ice cream products to our current customers, or offer other incentives that we cannot match, which could affect our results of operations. Similarly in Australia, the threat of new entrants to the market is possible and there is a risk that foreign producers could overcome cost and regulatory barriers to entry.

If our competitors increase their promotional spending in the future, we may be required to do so as well. This could adversely affect our profitability, or our sales may be reduced as a result of our customers choosing their products over ours. We expect levels of strong competition in our markets to continue, and if we fail to compete successfully, our market share, results of operations and financial condition will be materially and adversely affected.

Our products that we produce and market under licensed brands rely on the strength and goodwill of those brands. If consumer preferences with respect to these brands changed, our net sales could be adversely impacted.

***Our customers are often large and sophisticated and have considerable buying power.***

Our customers, such as supermarkets, warehouse clubs and food distributors, are large and sophisticated.

For example, the Australian grocery channel only has three primary supermarkets. As a result of their size and sophistication, they have a large amount of buying power and can often apply pricing pressure on their suppliers, including us, by resisting price increases and operating with reduced inventories. Our customers may also re-evaluate or refine their business practices from time to time and impose new or revised requirements upon their suppliers, including us. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Compliance with the requirements imposed by significant customers may be costly and may have an adverse effect on our results of operations. Furthermore, our customers in Europe have consolidated in recent years and this consolidation is expected to continue, which would cause our customers to grow even larger, which could further increase their buying power.

***The loss of any of our major customers could adversely affect our business.***

During the fiscal year ended December 31, 2013, our top five largest customers accounted for 31% of our revenues, with the largest customer, by revenue, accounting for 7% in the fiscal year ended December 31, 2013. We believe that following the Peters Acquisition, our largest customer will account for less than 6% of our revenue for the fiscal year ended December 31, 2014. In addition, the Australian grocery channel primarily consists of three grocery store chains, Coles, Metcash and Woolworths, each of which purchase products from Peters. This concentration in our Australian customer base may make us more vulnerable to pricing pressure from our Australian customers, which could adversely affect our sales and margins. Our industry is highly competitive, and we could lose any of our large customers to one of our competitors. These customers could, for example, develop an exclusive relationship with one of our competitors in Australia to produce private label ice cream, acquire one of our competitors through vertical integration or make demands upon us that we are unable or unwilling to meet, which could result in our partial or total loss of such customer's business, which would adversely affect our results of operations. In addition, consolidation among our current customers would result in a more densely concentrated customer base, which would increase the adverse impact we would sustain if we lost any customers. Furthermore, the loss of Peters' supermarket customers or shift in their purchasing preferences could adversely impact Peters' revenues and results of operations .

***Our success depends substantially on the value and perception of our brands.***

Our success, and the success of Peters, is dependent in large part upon our ability to maintain and enhance the value of our brands and our customers' and consumers' connection to our brands. Brand value is based in part on consumer perceptions on a variety of subjective qualities, and even isolated business incidents can erode brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, our brands could be damaged by claims or perceptions about the quality of our products regardless of whether such claims or perceptions are accurate. Consumer demand for our products and our brand value could diminish significantly if any such incidents or other matters erode consumer confidence in us or our products, which would likely result in lower sales and, ultimately, profits.

***We rely on our licences from third parties, including Nestlé, Mondelēz and Cadbury, which, if cancelled, could force us to discontinue profitable product lines.***

We depend upon licences, including the Nestlé, Mondelēz and Cadbury licences, for a significant portion of the branded ice cream products we sell. Our Nestlé licence is cancellable at ten years' prior notice. Our Mondelēz licence for the production of brands outside the United Kingdom is cancellable at six months' prior notice if we fail to achieve the minimum value for a particular brand in a particular territory for two consecutive years. Our licence with Cadbury for the production of Cadbury brands within the United Kingdom is subject to renewal by December 31, 2014 for an additional term of five years. The licence will be automatically extended for the additional term unless we fail to meet specified minimum sales targets or fail to satisfy an annual minimum marketing spend. We are on track to exceed both the minimum sales and marketing spend targets and therefore believe that we have satisfied all conditions for extension of the licence, however, we are awaiting confirmation of such extension from Cadbury. Most of our other licence arrangements can be continued/renewed only by mutual consent and may be terminated for any number of reasons.

Peters relies upon its licence with Nestlé for a significant portion of the branded ice cream products it sells. Either party to the licence agreement may terminate the agreement if the other party becomes insolvent or commits a material breach of the agreement. In addition, Nestlé can terminate the agreement in certain instances where a change of control event occurs.

We may not be able to continue using the brands currently made available to us under these arrangements on commercially reasonable terms or at all. As a result, we may have to discontinue, delay or reduce product lines that we derive a significant portion of our revenues from. Some of our third-party licences, including our Disney licence which gives us access to brands such as Mickey Mouse, Minnie Mouse and Cars, are non-exclusive. Our

competitors may obtain the right to use any of the brands covered by these arrangements and use these brands to compete directly with us.

***We may be adversely affected by fluctuations in currency exchange rates.***

As a result of our operations in various countries, we generate a significant portion of our sales and incur a significant portion of our expenses in currencies other than the euro, including the British Pound and the Polish Zloty. During the fiscal year ended December 31, 2013, 34% of R&R's revenue was derived from subsidiaries whose functional currency is other than the euro. Furthermore, Peter's revenues and cost are denominated almost entirely in Australian dollars. Consequently, portions of our costs, profit margins and asset values are, or will be following the Peters Acquisition, affected by fluctuations in the exchange rates among the above-mentioned currencies. Typically, our costs and the corresponding sales are denominated in the same currency. Occasionally, however, we are unable to match sales received in foreign currencies with costs paid in the same currency, and our results of operations are consequently impacted by currency exchange rate fluctuations. In addition, the Notes will be denominated in euros and Australian dollars and therefore an unfavourable movement in currency exchange rates may make it difficult to make payments on the Notes.

We must translate the assets, liabilities, revenue and expenses of all of our operations into euros at then-applicable exchange rates. Consequently, increases or decreases in the value of the euro may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger euro will reduce the reported results of operations of the non-euro businesses and conversely a weaker euro will increase the reported results of operations of the non-euro businesses. Upon completion of the Peters Acquisition, we will face even greater translation risk, as Peters operates entirely in Australia and derives its revenues in Australian dollars. These translations could significantly affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and stockholders' equity. We record the effects of these translations in our consolidated statement of recognised income and expense as exchange differences on retranslation of foreign operations.

We generally put in place hedges to mitigate foreign currency exposure; however for the year ended December 31, 2013, a significant portion of our costs remains unhedged. We cannot assure you that we will continue to hedge any portion of our currency exposure in the future, or if we do, that we will be successful in these efforts.

***Because we rely on distributors to deliver our products, any disruption in their services or increase in shipping costs could adversely affect our business.***

The success of our business depends, in large part, upon the maintenance of a strong distribution network. We rely on independent distributors to store our products and deliver them to our customers. Similarly, Peters depends on distributors to store and deliver products, particularly within the grocery channel. If any such distributor fails to properly store or timely deliver our products, or following the acquisition, Peters' products, to our customers, the results of our operations could be adversely affected. There can be no guarantee that we will maintain relationships with our current independent distributors. A delay in distribution could, among other things, have an adverse impact on our reputation, result in disposal of an amount of our products that could not be shipped in a timely manner or require us to contract with alternative, and possibly more expensive, distributors.

In addition, many of our current distributors have cold-storage facilities located near our manufacturing plants, which provide us with convenient facilities in which to store our products and which reduce our costs of transportation. In addition, our distribution agreement with Reed Boardall Cold Storage Limited ("Reed Boardall"), which is our primary provider of cold storage and distributor of our products in the United Kingdom, expires on January 31, 2015. If we were required to change distributors, including as a result of the expiration of our distribution agreement with Reed Boardall, it may be disruptive to our business and could have a material adverse effect on our business and results of operations.

Peters operates out of a single plant located in Mulgrave, Australia and is therefore particularly reliant on the distribution channels, comprising mainly of road transport and rail for Western Australia only, that transport its products from its single plant throughout Australia. In addition, Peters relies entirely on third-party warehousing and distribution providers for deliveries into the grocery channel. Any disruption to the distribution channels that Peters relies upon or any material increase in the price of oil, which is an input in the distribution chain, could interrupt Peters' business and/or adversely affect Peter's results of operations and revenues.

***Any significant damage to one of our plants could cause a production disruption.***

We manufacture our ice cream products in the nine plants that we own, lease or have the right to use. In contrast, Peters manufacturers ice cream from a single leased plant. The production at our plants and Peters' single

plant could be adversely affected by extraordinary events, including fire, explosion, release of high-temperature steam or water, structural collapse, machinery failure, chemical spill, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, flood, windstorm or other severe weather conditions. Any disruption to Peters' sole manufacturing plant could have a material adverse effect on Peters' production, results of operations and revenues, as it does not have additional plants to shift production. Although we carry insurance covering losses at these facilities and insurance to cover interruptions in our business, that insurance is subject to limitations such as deductibles and maximum liability amounts and therefore may not cover all of our losses or recover the business which our customers may have placed with our competitors. We may incur losses that are outside of the coverage of our insurance policies. In the future, we may not be able to obtain insurance coverage at current levels or at all, and our premiums may increase significantly on the coverage that we maintain. As a result, we could experience significant losses if any of our manufacturing facilities was damaged or ceased operation for any other reason.

***We may incur significant unanticipated costs and experience disruption in our operations in the event we close or divest all or part of a manufacturing plant or facility.***

We periodically assess our manufacturing operations in order to manufacture and distribute our products in the most efficient manner. Based on our assessments, we may move manufacturing or distribution capabilities from one plant or facility to another plant or facility, discontinue manufacturing or distributing certain products or close or divest all or part of a manufacturing plant or facility. The closure or divestiture of all or part of a manufacturing plant or facility could result in unanticipated future charges that could be significant, including costs related to worker severance and resulting employee suits.

***Product liability suits or the shipment of contaminated products could have a material adverse effect on our business.***

From time to time in the normal course of our business, we may become subject to product liability claims. We maintain general product liability and umbrella insurance coverage. If a product liability claim exceeding our insurance coverage were to be successfully asserted against us, it could harm our business. We cannot assure you that any insurance coverage will be sufficient to insure against claims which may be brought against us, or that we will be able to maintain such insurance or obtain additional insurance covering existing or new products.

Shipment of contaminated products, even if inadvertent, may violate applicable law and may lead to an increased risk of exposure to product liability claims, product recalls and increased scrutiny by European, national or local regulatory agencies. Any shipment of contaminated products, a significant product recall or product liability case may have a material adverse effect on our reputation, business prospects, results of operations and financial condition and could also result in a loss of consumer confidence in our food products.

***Health concerns could affect substantial portions of our product range.***

Concerns about the safety and quality of food products in general could cause end-consumers to avoid our products. Any outbreak of bacteria spread through ice cream, such as listeria, regardless of whether it is traced to our manufacturing facilities, could result in consumers ceasing to purchase our products. Adverse publicity about outbreaks or the long-term consequences of ice cream consumption in connection with our products or ice cream in general, whether or not valid, may also discourage end-consumers from buying our products or cause production and delivery disruptions which could have a material adverse effect on our business results and the value of our brands.

***Damage to our or our customers' image and reputation could adversely impact our results of operations.***

Our success in the retail market depends partially on our ability to maintain our image and corporate reputation. Adverse publicity, whether or not justified, or allegations of quality issues, even if false or unfounded, could tarnish our reputation and cause our customers to choose products offered by our competitors. In addition, the proliferation of new methods of mass communication facilitated by the Internet makes it easier for false or unfounded allegations to adversely affect our brand image and reputation. If our customers' image of our company or our products is negative, our operating results may be adversely affected.

Negative publicity about our customers could cause consumers to reduce purchasing from them, which could negatively impact our operating results, in particular with respect to our private label customers since our products bear their brand name. Further, negative publicity against the licensors of the brand names under which we produce and market certain of our products could have a negative impact on our operating results.

***Existing and future government regulation could adversely impact our results of operations and***

***financial condition.***

As a producer and marketer of food items, we are subject to extensive food safety regulations by various European, national and local government entities and agencies, such as Regulation EC/178/2002 and BRC (British Retail Consortium) and IFS (International Food Safety) certification audits, which provide the framework for a unified approach to food safety in the European Union, with respect to our contracts, production processes, product quality, packaging, labelling, storage and distribution. The Peters business in Australia is subject to similar local regulation. Failure to comply with, or violations of, the regulatory requirements of the jurisdictions in which we operate could result in a variety of sanctions, including monetary fines and compulsory withdrawal of our products from store shelves, as well as the nullification of certain of our contracts. Breach of relevant regulations, whether through deliberate or inadvertent acts by employees may expose our company to significant fines which may not be recoverable in part or in full from insurers or the individuals involved.

In addition, future regulation in the European Union could materially impact our business. Such regulation could include changes to product production, ingredient quality, storage, distribution, labelling, packaging or pricing. Failure to comply with these future regulatory requirements could result in the above mentioned sanctions and nullifications of contracts.

***Environmental laws and regulations may subject us to significant costs and liabilities.***

Our past and present business operations and ownership and operation of real property are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate, including the European Union, national and local laws and regulations and Australia following the Peters Acquisition. These laws and regulations impose increasingly stringent environmental protection standards on us and affect air emissions, wastewater discharges, the use and handling of hazardous materials, noise levels, waste disposal practice and environmental clean-up, among other things. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination at our sites or the imposition of new clean-up requirements could require us to incur future costs that would have a negative effect on our results of operations or cash flow. Environmental laws can impose clean-up liability on owners or occupiers of a contaminated property even if they did not cause the contamination, and not all of our properties have been investigated for the presence of soil or groundwater contamination. As a result, we could be exposed to substantial environmental costs and liabilities, including liabilities associated with our sold properties and past activities.

***We rely on a limited number of key personnel to operate our business, and the loss of any of these personnel or our inability to attract new personnel could have a material adverse impact on our business.***

Our success is significantly dependent on the services of the persons who comprise our group management board, in particular Ibrahim Najafi, our Chief Executive Officer, Andy Finneran, our Chief Financial Officer, Bob Bigley, our Group Corporate Development Director, and our other executive officers. We will also rely on Peters' management in the future, including Peters' Chief Executive Officer, Stephen Audsley. In addition, our future growth and success depends on our ability to attract, train, retain and motivate skilled managerial, sales, administrative, operating and professional and technical personnel. For example, the heads of many of the businesses we acquire are key to many of our customer relationships, and their sudden departure could adversely affect those relationships. The loss of one or more of our key management or operating personnel, or the failure to attract and retain additional key personnel, could have a material adverse impact on our business, financial condition and results of operations.

***The absence of patent protection could adversely affect our ability to protect confidential information used to produce our products.***

We rely upon the confidentiality of our formulas and our know-how rather than upon patent protection since patent protection may not be available for the recipes or manufacturing processes for any of our food products. There is no assurance that confidentiality can or will be maintained or that our know-how cannot be obtained by others or that others do not now possess similar or even more effective capabilities. The failure to maintain the confidentiality of our know-how could adversely affect our operating results.

***We may face disruption in integrating our recently acquired businesses.***

We could face significant challenges in managing and integrating the businesses we have recently acquired and will face these challenges following future acquisitions. The integration of these businesses will require the dedication of management resources that may temporarily divert attention from our day-to-day business. The process of integration could also interrupt the activities of these acquired businesses, which could have a material

adverse effect on our combined business, financial condition and results of operations. The acquisitions of these targets were undertaken in part with the expectation that we would be able to improve their operating results and the performance of their manufacturing operations. Any inability by us to integrate and manage any product lines or businesses we acquire in the future in a timely and efficient manner, any inability to achieve a substantial portion of any anticipated cost savings or other anticipated benefits from these acquisitions in the time frame we anticipate or any unanticipated required increases in trade, promotional or capital spending could adversely affect our business, financial condition, results of operations or liquidity.

In addition, we could experience financial or other setbacks if any of the businesses that we have acquired or may acquire in the future, including Peters, have problems of which we are not aware or liabilities that exceed our expectations. We may not be able to overcome problems encountered in connection with potential acquisitions, completed acquisitions or other expansion, and such problems could have a material adverse effect on our business, financial condition and results of operations.

Peters will be the first business we have acquired that will function as a largely autonomous business, which presents certain risks. In a different geography we may not be able to realise the synergies from integration that we typically expect from acquired businesses in Europe or to integrate its operation in the same way. We will be reliant upon the current excellent management team at Peters to aid us in the integration of that business. As a result of Peters' autonomy and its geographic location, we may face challenges addressing any issues that may arise in connection with, but not limited to, Peters' operations and performance.

***Any future growth may strain our infrastructure and resources, which could adversely affect our ability to manage our existing business and integrate acquired businesses, and any acquired business may ultimately prove to be unprofitable.***

We intend to continue to participate in the consolidation of the European ice cream manufacturing industry and to expand our existing businesses on a selective basis into new products and new geographic markets, such as Australia with respect to the Peters Acquisition. We expect to derive a significant portion of our growth in Europe by acquiring businesses and integrating those businesses into our existing operations. Growth in general can place significant strain on our management resources and financial and accounting control systems. Our management will need to identify appropriate investments and subsequently integrate, train and manage increased numbers of employees as we acquire new companies or assets. Unprofitable investments or an inability to integrate or manage new investments could adversely affect our operating results.

Any future acquisitions or investments in joint ventures also will involve financial, managerial and operational challenges, including:

- diversion of management's attention from other business concerns;
- difficulty integrating businesses, operations, personnel and financial and other systems;
- difficulty obtaining regulatory approvals and lack of experience in operating in new geographical markets;
- increased levels of debt potentially leading to associated reduction in ratings of our debt securities and adverse impact on our various financial ratios;
- potential loss of key employees and customers;
- assumption of and exposure to unknown or contingent liabilities of acquired businesses;
- potential disputes with the sellers; and
- for our investments, potential lack of common business goals and strategies with, and cooperation of, our joint venture partners.

In addition, we could experience financial or other setbacks if any of the businesses that we have acquired or may acquire in the future have problems of which we are not aware or liabilities that exceed expectations. Additionally, we may decide to or be required to make cash payments to fund a joint venture investment or to make cash payments to a joint venture partner. We may not successfully overcome problems encountered in connection with potential acquisitions, completed acquisitions, joint venture investments or other expansion, and such problems could have a material adverse effect on our operating results or cash flow.

***We may be unable to realise the expected synergies from the cost improvement measures we have taken.***

We may be unable to realise the expected synergies from the cost improvement measures we have taken in connection with the closure of three of our plants in 2013. While we recognised modest cost savings and

improved efficiency in connection with these cost improvement measures in the year ended December 31, 2013, we may not realise the full benefit of these cost improvement measures, the majority of which have yet to occur. In addition, we routinely assess cost improvement measures and we may not realise expected synergies from the cost improvement measures we may undertake in the future.

Our anticipated cost synergies are based upon assumptions about our ability to implement cost saving measures in a timely fashion and within certain cost parameters. Our ability to achieve planned cost synergies is dependent upon a significant number of factors, some of which may be beyond our control.

If one or more of our underlying assumptions regarding these projects proves to have been incorrect, these efforts could lead to substantially higher costs than planned and we may not be able to realise fully, or realise in the anticipated timeframe, the expected benefits from our cost measures. Furthermore, pricing pressure from our customers or competitors or other variables may deprive us of some of the benefits from the cost measures that, in the calculation of Pro Forma Adjusted EBITDA, we have assumed that we will be able to retain. Also, cost efficiencies from improved production processes may not be able to be sustained due to changes in customer needs, environmental law, availability of raw materials, energy costs or other cost variables. Our new business initiatives could result in unintended consequences, such as the loss of key customers and suppliers.

Our inability to realise the anticipated cost savings, synergies and the other measures we have taken could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***We are exposed to risks related to conducting operations in several different countries.***

We currently have manufacturing facilities located in the United Kingdom, France, Germany, Italy, Poland and following the Peters Acquisition, Australia. Notwithstanding the benefits of geographic diversification, our business is subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent in international operations include the following:

- general economic, social or political conditions in the countries in which we operate could have an adverse effect on our earnings from operations in those countries;
- compliance with a variety of laws and regulations in various jurisdictions may be burdensome;
- unexpected or adverse changes in laws or regulatory requirements in various jurisdictions may occur;
- the imposition of withholding taxes or other taxes or royalties on our income, or the adoption of other restrictions on foreign trade or investment, including currency exchange controls;
- adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licences;
- intellectual property rights may be more difficult to enforce;
- transportation and other shipping costs may increase;
- staffing difficulties, national or regional labour strikes or other labour disputes;
- the imposition of any price controls; and
- difficulty enforcing agreements and collecting receivables.

Any of these factors could require us to change our current operational structure and could have a material adverse impact on our results of operations.

***A disruption in our information technology systems and/or website could adversely affect our operations.***

The timely development, implementation, and continuous and uninterrupted performance of our business intelligence tools, hardware, network, applications, website and other systems, including those which may be provided by third parties, are important factors in our production and our delivery of products to our customers. Our ability to protect these processes and systems against unexpected adverse events is a key factor in continuing to offer our customers our full complement of products on time in an uninterrupted manner. Our operations are vulnerable to interruption from a variety of sources, many of which are not within our control, such as: (i) power loss and telecommunications failures; (ii) software and hardware errors, failures, defects, or crashes; (iii) computer viruses and similar disruptive problems; (iv) fire, flood, and other natural disasters; (v) attacks on our network or damage to our business intelligence tools, software and systems carried out by hackers or Internet criminals; and (vi) the performance of third-party vendors. Delays or interruptions in the delivery of our products could result from unknown data, software, or hardware defects, insufficient capacity, or the failure of our website hosting and telecommunications vendors to provide continuous and uninterrupted production and delivery.

## RISKS RELATED TO THE NOTES AND OUR CAPITAL STRUCTURE

***Our high leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes.***

We are, and after completion of this Offering and the Peters Acquisition, we will continue to be, highly leveraged and have significant debt service obligations. As of March 31, 2013, on a pro forma basis, after giving effect to the Offering and application of proceeds therefrom, the Issuer would have had total consolidated debt of €673.2 million (equivalent) outstanding, all of which is senior indebtedness, and €255.0 million (equivalent) of which is indebtedness under the Notes. In addition, as of March 31, 2014, we had €42.0 million available for drawing under our Revolving Credit Facility, plus an additional €15.0 million available on an uncommitted basis, £315.0 million outstanding on a pro forma basis under our Existing Senior Secured Notes, which were issued on May 14, 2014, and €253.0 million outstanding with respect to our indirect parent, R&R PIK plc's, Existing PIK Notes.

We anticipate that we will continue to be highly leveraged for the foreseeable future. Our high leverage could have important consequences to holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our debt obligations;
- limiting our ability to upstream cash to help it meet its obligations under the Notes;
- increasing our vulnerability to a continuing downturn in our business or economic and industry conditions;
- limiting our ability to obtain additional financing and increasing the cost of any such financing to fund future working capital requirements, capital expenditure, business opportunities and other corporate requirements;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, which means that this cash flow would not be available to fund our operations and for other corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and our industry;
- restricting us from pursuing strategic acquisitions or exploring certain business opportunities;
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the cost of such additional financings; and
- placing us at a competitive disadvantage relative to a competitor with less leverage.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including obligations under the Notes. Moreover, we may incur substantial additional indebtedness in the future. The terms of the Indenture, as well as the terms of our Revolving Facility Agreement and Existing Senior Secured Notes Indenture, restrict, but do not prohibit, us from incurring additional debt. If we incur additional indebtedness, the related risks that we now face, as described above and elsewhere in these "Risk Factors", could intensify.

***Despite our current level of debt, we may still be able to incur substantially more debt in the future, including at the level of our subsidiaries, which may make it difficult for us to service our debt, including the Notes.***

We and our subsidiaries may be able to incur substantial additional debt in the future, including under our €60.0 million Revolving Credit Facility, which provides for an additional €15.0 million available on an uncommitted basis, with such borrowings and indebtedness being secured. Although the Revolving Credit Facility, Existing Senior Secured Notes Indenture and the Indenture will contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of debt that could be incurred in compliance with these restrictions could be substantial and we may be able to secure such additional debt with Collateral or other assets. In certain cases, creditors in respect of such secured debt would receive proceeds from the enforcement of Collateral prior to the holders of the Notes. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Indenture, the Revolving Facility Agreement and the Existing Senior Secured Notes Indenture will not prevent us from incurring obligations that do not constitute debt under those agreements.

Our non-Guarantor subsidiaries may also be able to incur substantial additional indebtedness in the future,

further increasing the risks associated with our substantial leverage. If any of our non-Guarantor subsidiaries incur additional indebtedness, the holders of that debt will be entitled to share ahead of you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of such subsidiaries. See "—The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries".

***We may not be able to generate sufficient cash to service our debt and sustain our operations.***

Our ability to make payments on, or repay or refinance, our debt, including the Notes, and to fund future capital expenditure and other cash needs will depend largely upon our future operating performance. Further, post-acquisition, Peters will have AUD 20.9 million of debt as of March 31, 2014 outstanding in connection with a finance lease relating to Peters' Mulgrave plant. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, technical and other factors, including those discussed in these "Risk Factors", that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt and Peters' debt, will depend on the satisfaction of the covenants in our Revolving Facility Agreement, Existing Senior Secured Notes Indenture and our other debt agreements, including the Indenture, and other agreements we may enter into in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay our debt, including the Notes, or to fund our other liquidity needs.

In addition, prior to the repayment of the Notes, we will be required to refinance or repay certain other debt, including debt under the Revolving Credit Facility. We cannot assure you that we will be able to refinance or repay any of our debt, including the Notes, on commercially reasonable terms or at all. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. If we are unable to make payments or refinance our debt or obtain new financing under these circumstances, we would have to consider other options, such as:

- sales of assets;
- sales of equity;
- restructure or refinance all or a portion of our debt on or before maturity;
- forgo opportunities such as acquisitions of other businesses; or
- negotiations with our lenders to restructure the applicable debt.

If we are not able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, or at all, we may not be able to satisfy our debt obligations. Any failure to raise additional funds necessary to service our debt on a timely basis could result in a default under our debt, including any or all of the Revolving Credit Facility, Existing Senior Secured Notes or Notes. This in turn would also likely result in a reduction of our credit rating, which could harm our ability to incur additional debt. An event of the default under any of these circumstances could result in:

- our debt holders declaring all outstanding principal and interest to be due and payable;
- the lenders under our Revolving Credit Facility being able to terminate their commitments to lend us money and foreclose against the assets securing their borrowings; and
- our being forced into bankruptcy or liquidation, which could result in you losing your investment in the Notes.

***We are subject to covenants which limit our operating and financial flexibility and, if we default under our debt covenants, we may not be able to meet our payment obligations.***

The Indenture will contain negative covenants restricting, among other things, our ability to:

- incur or guarantee additional debt and issue certain preferred shares;
- pay dividends, repurchase stock, and make distributions and certain other payments and investments;
- create liens;
- enter into transactions with affiliates;
- transfer or sell assets;
- engage in certain activities;
- impair security interests;

- provide guarantees of other debt;
- agree to restrictions on dividends by subsidiaries;
- with respect to the Issuer, engage in activities unrelated to the issuance of the Notes, performance of its obligations thereunder and certain administrative-type activities; and
- merge or consolidate.

The Existing Senior Secured Notes Indenture and the Existing PIK Notes Indenture also contain negative covenants. All of these limitations are in respect of the Existing Senior Secured Notes and the Existing PIK Notes, and will be in respect of the Notes, subject to significant exceptions and qualifications. See "Description of Other Financing Arrangements—Existing PIK Notes", "Description of Other Financing Arrangements—Existing Senior Secured Notes" and "Description of the Notes—Certain Covenants". These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

We are also subject to the affirmative, negative and financial covenants contained in the Revolving Facility Agreement. In addition, the Revolving Facility Agreement also requires us to maintain specified financial ratios and satisfy financial condition tests. See "Description of Other Financing Arrangements—Revolving Credit Facility". Our ability to meet those financial ratios and tests can be affected by events beyond our control and we may not be able to meet them. If we breach any of these covenants or restrictions, in addition to being in default under the Indenture and the Notes, we could be in default under the terms of the Revolving Facility Agreement. Upon the occurrence of any event of default under the Revolving Facility Agreement, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facility and elect to declare all amounts outstanding under the Revolving Credit Facility, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility could lead to an event of default and acceleration under other debt instruments that contain cross default or cross acceleration provisions, including, subject to the Intercreditor Agreement, the Notes, the Existing Senior Secured Notes and the Existing PIK Notes.

If the Issuer or its subsidiaries' creditors, including the creditors under the Revolving Credit Facility, accelerate the payment of those amounts, the assets of our subsidiaries may not be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to the Issuer to enable it to repay the Notes in full or in part. In addition, if our subsidiaries were unable to repay those amounts, our subsidiaries' creditors could proceed against any collateral granted to them to secure repayment of those amounts and those creditors with security interests, including the lenders under the Revolving Credit Facility, will receive any enforcement proceeds from such assets and the Issuer will only have an equity claim on those assets once all secured debts are repaid in full.

***We may not have the ability to raise the funds necessary to finance a change of control offer if required by the Indenture.***

Upon the occurrence of a change of control, as defined in the Indenture, the Issuer will be required to make an offer to purchase the Notes at a price in cash equal to 101% of their aggregate principal amount, plus any accrued and unpaid interest and certain other amounts, to the date of repurchase. Upon a change of control, we may be required to offer to repurchase or repay our outstanding indebtedness, including the Notes, the Revolving Credit Facility, the Existing Senior Secured Notes and the Existing PIK Notes. We may not have sufficient resources to repurchase the Notes or repay our other indebtedness, if such debt is required to be repurchased or repaid, upon the occurrence of a change of control. In addition, restrictions in our then-existing contractual obligations, including the Revolving Facility Agreement, may not allow us to make such required repurchases upon the occurrence of certain events constituting a change of control. In any case, third party financing most likely would be required in order to provide the funds necessary for the Issuer to make the change of control offer for the Notes and to refinance any other indebtedness that would become payable upon the occurrence of such events. We may not be able to obtain such additional financing on terms favourable to us or at all. See "Description of the Notes—Repurchase at the Option of Holders—Change of Control".

The change of control provision contained in the Indenture may not necessarily afford holders of the Notes protection in the event of certain important corporate events, including a reorganisation, restructuring, merger or other similar transaction involving us that may adversely affect holders of the Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture. Except as described under "Description of the Notes—Repurchase at the Option of Holders—Change of Control", the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganisation, restructuring,

merger, recapitalisation or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control if at the time our consolidated leverage ratio is less than a specified level. See "Description of the Notes—Repurchase at the Option of Holders—Change of Control", "Description of the Notes—Certain Definitions—Change of Control" and "Description of the Notes—Certain Definitions—Specified Change of Control Event".

The definition of "change of control" in the Indenture will include a disposition of all or substantially all of the properties or assets of the Issuer and its subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

***Under the Intercreditor Agreement, the holders of the Notes will be required to share recovery proceeds with other secured creditors, have certain limitations on their ability to enforce the security documents and have agreed that the Collateral may be released in certain circumstances without their consent.***

The Trustee under the Indenture governing the Notes will accede to the Intercreditor Agreement and, by accepting a Note, each holder of a Note will be deemed to have authorised and directed the Trustee to accede to the Intercreditor Agreement, which was previously entered into by, among others, the administrative agent under the Revolving Credit Facility, counterparties to certain hedging obligations and the Security Trustee in connection with the issuance of the Existing Senior Secured Notes and execution of the Revolving Facility Agreement. Other creditors may become parties to the Intercreditor Agreement or we may enter into additional Intercreditor Agreements in the future. Among other things, the Intercreditor Agreement governs the enforcement of the security documents, the sharing in any recoveries from such enforcement and the release of the collateral by the Security Trustee.

The Intercreditor Agreement provides that the Security Trustee shall act upon the instructions of the class of secured creditor that first delivers a notice to the Security Trustee (provided no conflicting enforcement instructions are received prior to the proposed enforcement instruction date (such date being at least 21 business days (or such agreed shorter period) prior to the proposed enforcement instruction date), and the agents and representatives of certain other classes of secured creditors may also deliver such notices. The Intercreditor Agreement further provides that in the event that the classes of creditors entitled to provide enforcement instructions to the Security Trustee provide conflicting instructions, such creditors must, subject to certain exceptions, consult with each other for a period of 30 days (or such agreed shorter period) from the date of receipt of the latest of such instructions before any enforcement action may be taken. Upon the expiry of such consultation period, enforcement instructions may be provided to the Security Trustee by the Trustee (or the agent under the Revolving Facility Agreement, if agreed by the Trustee). In the event there are conflicting instructions, and provided that, the Trustee complies with the consultation requirements and with the security enforcement principles under the Intercreditor Agreement, the Security Trustee shall comply with the instructions received from the Trustee. However, if:

- the creditors under our Revolving Credit Facility are not fully repaid and our existing priority hedging counterparties are not fully repaid within six months of the relevant proposed enforcement instruction date;
- the Security Trustee has not commenced any enforcement action within three months from the date of the relevant proposed enforcement instruction date; or
- an event of insolvency has occurred and the Security Trustee has not commenced any enforcement action,

then enforcement instructions by the lenders under our Revolving Credit Facility and our existing hedging counterparties will prevail provided that the security enforcement principles are complied with.

These arrangements could be disadvantageous to the holders of the Notes in a number of respects. For example, other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Issuer or its subsidiaries during such period, the Issuer or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain collateral could otherwise be impaired or reduced in value.

In addition, lenders under our Revolving Credit Facility and certain hedging counterparties and lenders or creditors under certain other super senior indebtedness that we may incur in the future may receive priority to the

proceeds from the enforcement of security and the Guarantees. The Intercreditor Agreement will provide that the Security Trustee may release certain collateral in connection with sales of assets pursuant to a permitted disposal or enforcement sale and in other circumstances permitted by the Indenture governing the Notes and the Revolving Credit Facility. Therefore, such collateral available to secure the Notes could be reduced in connection with the sales of assets or otherwise, subject to the requirements of the financing documents and the Indenture governing the Notes.

Our Revolving Credit Facility provides for borrowings up to an aggregate of €60.0 million on a committed basis but will allow for borrowings of a further €15.0 million on an uncommitted basis. In addition, the Indenture governing the Notes will permit us, and our Revolving Credit Facility and Existing Senior Secured Notes permit us, in compliance with the covenants in those agreements, to incur additional indebtedness secured by liens on the Collateral. Our ability to incur additional debt in the future secured on the collateral may have the effect of diluting the ratio of the value of such Collateral to the aggregate amount of the obligations secured by the Collateral.

***The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries.***

Some, but not all of our subsidiaries will guarantee the Notes. The amount enforceable under the Guarantees may be limited, and the validity and enforceability of the Guarantees will be subject to the limitations described in "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests". By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. None of the Issuer's non-guarantor subsidiaries will have any obligation to pay amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer as a direct or indirect shareholder of such subsidiaries.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganised or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Notes) will have no right to proceed against the assets of such subsidiary; and
- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

For the twelve months ended March 31, 2014, on a pro forma basis after giving effect to the Peters Acquisition, the offering of the Notes and the accession of the Post-completion Guarantors as Guarantors under the Indenture, the Company, the Initial Guarantors and the Post-completion Guarantors held 89.2% of our pro forma revenues and 85.4% of our Pro Forma Adjusted EBITDA. See "Description of the Notes—The Note Guarantees" and "Description of the Notes—Security". As of March 31, 2014, on a pro forma basis, the Issuer's subsidiaries that are not guaranteeing the Notes had nil borrowings, excluding intercompany obligations. Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the Guarantees.

***Each Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.***

Each Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. However, the Indenture will provide that each Guarantee will be limited to the maximum amount that may be guaranteed by the relevant Guarantor without among other things rendering the relevant Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective or limited under applicable law or causing the officers of the Guarantor to incur personal civil or criminal liability, and enforcement of each such Guarantee would be subject to certain generally available defences. See "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests".

Enforcement of any of the Guarantees against any Guarantor, or of the security interests in respect thereof, will be subject to certain defences available to Guarantors in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defences generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally.

If one or more of these laws and defences are applicable, a Guarantor may have no liability or decreased

liability under its Guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Guarantee against any Guarantor.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Guarantor's obligations under its Guarantee or the security interests in respect thereof, (ii) direct that the holders of the Notes return any amounts paid under a Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the relevant Guarantor or, in certain jurisdictions, when the granting of the Guarantee has the effect of giving a creditor a preference or when the recipient was aware that the relevant Guarantor was insolvent when it granted the relevant Guarantee;
- the relevant Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Guarantee and such Guarantor was: (i) insolvent or rendered insolvent because of the relevant Guarantee; (ii) undercapitalised or became undercapitalised because of the relevant Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor; or
- the amount paid or payable under the relevant Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

We cannot assure you which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of the valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Guarantee was issued, that payments to holders of the Notes constituted preferences, fraudulent transfers or conveyances on other grounds.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or
- it cannot pay its debts as they become due.

The liability of each Guarantor under its Guarantee will be limited to the amount that will result in such Guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court decided that a Guarantee was a preference, fraudulent transfer or conveyance and voided such Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the relevant Guarantee that has not been declared void. In the event that any Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes or any Guarantee is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes. See "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests".

***Enforcing your rights as a holder of the Notes or under the Guarantees or security interests in the Collateral across multiple jurisdictions may prove difficult.***

The Notes will be issued by the Issuer, a company incorporated under the laws of England and Wales. The

Notes will be guaranteed by the Guarantors, which are incorporated under the laws of England and Wales, France, Germany, Italy, Australia, Jersey and Poland and hold assets in England and Wales, France, Germany, Italy, Australia, Jersey and Poland. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any, all or any combination of the above jurisdictions. Such jurisdictions may not be as favourable to investors as the laws of the United States or other jurisdictions with which investors are familiar, and proceedings in these jurisdictions may likely be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes, the Guarantees and the Collateral will be subject to the bankruptcy, insolvency and administrative laws and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings. See "—Each Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability".

In addition, in the event that one or more of the Issuer, the Guarantors and any future guarantor, if any, or any other of our subsidiaries experiences financial difficulty, the bankruptcy, insolvency, administrative and other laws of the Issuer and the Guarantors' jurisdictions of organization and location of assets may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether the law of any particular jurisdiction should apply, and may adversely affect your ability to enforce your rights under the Notes, the Guarantees and the Collateral in those jurisdictions or limit any amounts that you may receive. See "Service of Process and Enforcement of Judgments" with respect to certain of the jurisdictions mentioned above.

Moreover, in certain jurisdictions, it is unclear whether all security interests in the Collateral give the Security Trustee a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Trustee priority (according to their rank) in the distribution of any proceeds of such realization. Accordingly, the Security Trustee and the holders of the Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on the Collateral.

***The insolvency laws of England and Wales, Australia and other local insolvency laws may not be as favourable to holders of the Notes as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.***

The Issuer is incorporated under the laws of England and Wales and the Guarantors are organised under the laws of various jurisdictions, including England and Wales, France, Germany, Italy, Australia, Jersey and Poland. Insolvency proceedings with respect to these companies domiciled in a member state of the European Union could be required to proceed under the laws of the jurisdiction in which its "centre of main interests", as defined in The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings, is situated at the time insolvency proceedings are commenced. Although there is a rebuttable presumption that the "centre of main interests" will be in the jurisdiction where its registered office is situated, this presumption is not conclusive. Accordingly, insolvency proceedings with respect to the Issuer may proceed under, and be governed by, English insolvency laws or potentially by the insolvency laws of another jurisdiction if the centre of main interests of the Issuer is determined to be in such other jurisdiction at the relevant time, and with respect to the Guarantors, in the jurisdiction where the centre of their main interests is determined to be located or their jurisdiction of incorporation. The insolvency laws of such jurisdictions may be less favourable to the interests of holders of the Notes as creditors than the bankruptcy laws of the United States or another jurisdiction with which holders of the Notes may be familiar, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and thus may limit the ability of holders of the Notes to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. See "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests" for a brief description of certain aspects of insolvency laws in England and Wales and certain other jurisdictions.

***You may be unable to recover in civil proceedings for U.S. securities laws violations.***

We, the Guarantors and their respective subsidiaries are organised outside of the United States. Nearly all of the directors and executive officers of ourselves and the Guarantors are non-residents of the United States and that all of their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon ourselves, the Guarantors or their respective directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. Additionally, there is doubt as to the enforceability in many foreign jurisdictions of civil liabilities based on the civil liability provisions of the federal or state securities laws of the United States against ourselves, the Guarantors, the directors, controlling persons and management and any experts named in this

Offering Memorandum who are not residents of the United States. See "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests".

***The granting of the security interests in the Collateral may create hardening periods for such security interests in accordance with the law applicable in certain jurisdictions.***

The granting of new security interests in connection with the issuance of the Notes may create hardening periods for such security interests in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted, perfected or recreated. Each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it. See "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests".

In addition, the granting of a shared security interest to secure future indebtedness may restart or reopen hardening periods in certain jurisdictions, including with respect to security interests previously granted for the benefit of the lenders under the Revolving Credit Facility or holders of the Existing Senior Secured Notes. The applicable hardening period may run from the moment such new security is amended, granted or perfected. If the security interest granted were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it.

***The security interests in the Collateral will be granted to the Security Trustee rather than directly to the holders of the Notes. The ability of the Security Trustee to enforce the Collateral may be restricted by local law.***

In Germany, the security interests in the Collateral will not be granted directly to the holders of the Notes, but rather only in favour of the Security Trustee, as beneficiary of parallel debt obligations (the "Parallel Debt"). The Parallel Debt is created to satisfy a requirement under the laws of Germany that the security agent, as grantee of certain types of collateral, be a creditor of the relevant security provider. The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer under the Indenture and the Notes (the "Principal Obligations"). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Although the Security Trustee will have, pursuant to the Parallel Debt, a claim against the Issuer for the full principal amount of the Notes, holders of the Notes will not be entitled to enforce such security except through the Security Trustee and will bear some risks associated with a possible insolvency or bankruptcy of the Security Trustee. The Parallel Debt obligations referred to above are contained in the Indenture, which is governed by New York law. There is no assurance that such a structure will be effective before German courts as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Trustee to enforce the Collateral may be restricted.

Under Polish law, the Parallel Debt will be structured the same way as described above. The parallel debt concept has been tested under Polish law only to some extent. Also, Polish law does not recognise the concept of "trust" or "trustee". There are some risks in case of a dispute before Polish court simply because there are no similar structures under Polish law and there has been no decision of Polish courts clearly recognizing such structures as the parallel debt. There is no assurance that such a structure (based on the foreign law and having no equivalent under Polish law) will be recognised before Polish court in a particular case. There have been, however, several judgments issued by the bankruptcy courts under which validity of a foreign law parallel debt structure was not challenged (but there is no doctrine of "precedent" under Polish law). Consequently, although such risk should be mentioned in connection with security given by Polish entities, it is to some extent mitigated by the above mentioned judicial decisions.

In France, the security interests in the Collateral will not be granted directly to the holders of the Notes, but rather only in favour of the Security Trustee, as creditor of the Parallel Debt obligations. The Parallel Debt is created to satisfy a requirement under the laws of France that the security trustee, as grantee of certain types of collateral, be a creditor of the relevant security provider. The Parallel Debt is in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Although the Security Trustee will have, pursuant to the Parallel Debt, a claim against the security provider for the full principal amount of the Principal Obligations, holders of the Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Trustee. The Parallel Debt obligations referred to above would be contained in the Intercreditor Agreement, which is governed by English law. Although the French Supreme Court (*Cour de cassation*) has held (in a decision dated September 13, 2011 (*Cass. com. 13 September 2011 n°10 25533 Belvedere*) confirming a decision of a French court of appeal in September 2010, rendered in the context of safeguard proceedings opened in France) that, subject to certain conditions being met, the

concept of "parallel debt" governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*), this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security trustee benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. There is no certainty that the parallel debt construction will eliminate or mitigate the risk of unenforceability under French law. See "Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests—France—Parallel Debt".

In Italy, the security interests in the Collateral will not be granted directly to the holders of the Notes but will rather be granted in favour of the Security Trustee for the benefit of the holders of the Notes and as beneficiary of the parallel debt pursuant to the terms of the Intercreditor Agreement.

It is uncertain and untested in the Italian courts whether, under Italian law, a security can be created and perfected: (i) in favour of creditors (such as the holders of the Notes) which are neither directly parties to the relevant security documents or are not specifically identified therein or in the relevant share certificates and corporate documents or public registries; and (ii) in favour of a "trustee", since there is no established concept of "trust" or "trustee" under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of a "trustee" as agent or trustee for holders of the Notes under security interests granted over Italian assets is uncertain under Italian law.

Given the above there is a risk that an Italian court may determine that the holders of the Notes at the time of the enforcement are not secured by the security under the Security Documents governed by Italian law and/or cannot enforce that security.

In order to mitigate this risk, the security providers who will pledge assets under certain Security Documents, including those governed by the laws of Italy, may also enter into a separate and independent undertaking to pay to the Security Trustee, in its individual capacity acting in its own name and not as agent or representative of the holders of the Notes, an amount equal to the amount of the obligations in respect of the Notes owed by an obligor. The Collateral governed by Italian law will then secure such parallel debt to the extent permitted by law. To date, parallel debt structure in financing transactions, including credit facilities and bond issuances, has not been tested in Italian courts. In addition, the validity and enforceability of certain rights of a Security Trustee benefiting from a parallel debt structure is untested in Italian courts; accordingly, there can be no assurance that the parallel debt structure will *per se* eliminate or mitigate the risk of unenforceability by the holders of the Notes of Italian law security interests created or granted for their benefit. In addition, to the extent that the security interests in the assets subject to the Collateral created under a parallel debt structure are located in Italy, and such security interests are successfully challenged by other parties, there is a risk that holders of the Notes (in relation to which the relevant perfection formalities acknowledging their status of secured creditors are not perfected at the time of the enforcement) do not receive any proceeds from an enforcement of the security interest in the relevant Collateral.

Moreover, under Italian law, claims of certain categories of creditors (***creditori privilegiati***) are given statutory priority in relation to the proceeds of a debtor's property in respect of the claims of other creditors.

***The granting of the security interests and the increase of Guarantees in connection with the issuance of the Notes will result in junior ranking security interests in certain jurisdictions in accordance with the law applicable in certain jurisdictions.***

Certain security interests securing the Notes under English, German, French and Italian law will, as a matter of local law, be granted as junior, second ranking or third ranking security interests in relation to the existing security granted in respect of the Revolving Credit Facility and Existing Senior Secured Notes as they will be granted at a later point in time than the security interests granted to secure the Revolving Credit Facility and Existing Senior Secured Notes. Therefore, you may not be able to recover on such security interests because the beneficiaries of the senior ranking security interests will have a prior claim to all proceeds from the enforcement of the same. However, the Intercreditor Agreement (which is also applicable to the Revolving Credit Facility and Existing Senior Secured Notes) provides that any enforcement proceeds from multiple security interests of various rankings will be shared in accordance with the terms of the Intercreditor Agreement. Such sharing provisions may be ineffective if, for any reason, all or part the Intercreditor Agreement is determined to be invalid or unenforceable.

***It may be difficult to realise the value of the Collateral securing the Notes.***

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes as well as the

ability of the Security Trustee to realise or foreclose on that Collateral.

The security interests of the Security Trustee will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Trustee may need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Trustee will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets and the value of the Collateral may significantly decrease.

In addition, our business requires a variety of national, state and local permits and licences. The continued operation of properties that comprise part of the Collateral and which depend on the maintenance of such permits and licences may be prohibited. Our business is subject to regulations and permitting requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or changes in applicable regulations or requirements. In the event of foreclosure, the transfer of such permits and licences may be prohibited or may require us to incur significant cost and expense. Further, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfers are not obtained or are delayed, the foreclosure may be delayed, a temporary shutdown of operations may result and the value of the Collateral may be significantly decreased.

***We are exposed to interest rate risks. Shifts in such rates may adversely affect our debt service obligations.***

A portion of our debt bears interest at a variable rate, and we will be exposed to the risk of fluctuations in interest rates, primarily under the Revolving Facility Agreement, which (depending on the currency we borrow in) is based on the Euro Interbank Offered Rate (EURIBOR), the London Interbank Offered Rate (LIBOR) or the Warsaw Interbank Offered Rate (WIBOR) plus an applicable margin ranging from 3.50% per annum to 3.00% per annum depending on the ratio of net debt to EBITDA. There can be no assurance that hedging will be available on commercially reasonable terms or at all, or that we will enter into any interest rate hedging. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate hedging arrangements. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes.

***Holders of the Notes may not control certain decisions regarding the Collateral.***

The obligations under the Notes and the Guarantees are secured with security interests over the Collateral that also secure our obligations under the Revolving Credit Facility and certain other indebtedness and hedging obligations (the "Super Senior Liabilities") and the Existing Senior Secured Notes and which may also in the future secure our obligations under certain second lien debt ("Second Lien Debt") which we are permitted or not prohibited from incurring under the Indenture and the Revolving Facility Agreement. The Indenture also permits the Collateral to secure additional indebtedness (including Second Lien Debt) in accordance with the terms thereof and the Intercreditor Agreement. The Intercreditor Agreement provides that the Security Trustee will only enforce the Collateral as provided for in the Intercreditor Agreement, and regulates the ability of the Trustee or the holders of the Notes to instruct the Security Trustee to take enforcement action. The Security Trustee is not required to take enforcement action unless instructed to do so by an instructing group that consists of (i) creditors holding more than 66.66% of the indebtedness and commitments under the Revolving Facility Agreement, certain other indebtedness permitted to rank *pani passu* with the Revolving Facility Agreement on the proceeds of enforcement of Collateral (a "Credit Facility") and the certain priority hedging obligations (the "Majority Super Senior Creditors") and (ii) the holders of the aggregate principal amount of the then outstanding Notes, creditors in respect of indebtedness ranking *pani passu* with the Notes, including the holders of the Existing Senior Secured Notes and creditors in respect of certain non-priority hedging obligations (the "Senior Secured Credit Participations") which aggregate more than 66.66% of the total Senior Secured Credit Participations at that time (the "Majority Senior Secured Creditors") (in each case acting through their respective creditor representatives (together, the "Senior Secured Instructing Group")). However, if and to the extent the obligations under the Super Senior Liabilities have not been fully discharged in cash within six months of such enforcement instructions first being issued or if Security Trustee has not commenced enforcement action within three months of enforcement instructions first being issued or certain insolvency events occur and the Security Trustee has not commenced any enforcement action, then the enforcement instructions provided by the Majority Super Senior Creditors will prevail.

However, if the Senior Secured Instructing Group has instructed the Security Trustee not to enforce or to cease enforcement or in the absence of instruction from the Senior Secured Instructing Group, and in each case, the Senior Secured Instructing Group has not required a debtor under the Intercreditor Agreement to make a distressed disposal, the Security Trustee shall give effect to any instructions to enforce Collateral which the

representative of the Second Lien Debt (acting on the instructions of more than 50% of the holders of the Second Lien Debt) are then entitled to give to the Security Trustee in accordance with the Intercreditor Agreement.

Following the transaction security having become enforceable, a creditor representative acting on behalf of the Majority Super Senior Creditors or the Majority Senior Secured Creditors may at any time provide immediate enforcement instructions to the Security Trustee if the agent under the Revolving Facility Agreement, the trustee of the Existing Senior Secured Notes (acting on the instructions of the Majority Super Senior Creditors and the Majority Senior Secured Creditors) or the Trustee (acting on the instructions of the Majority Super Senior Creditors and the Majority Senior Secured Creditors) determine in good faith that to delay the taking of any enforcement action could reasonably be expected to have a material adverse effect on the Security Trustee's ability to enforce any transaction security or the realization of enforcement proceeds.

To the extent we incur additional indebtedness that is secured on a *pani passu* basis with the Notes, the voting interest of holders of Notes in an instructing group will be diluted commensurate with the amount of indebtedness we incur.

The lenders under the Revolving Facility Agreement, and the creditors of any other Credit Facility and the creditors in respect of certain priority hedging obligations may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the security documents at a time when it would be disadvantageous for the holders of the Notes to do so. In addition, if the Security Trustee sells Collateral consisting of the shares of the Issuer or any of its holding companies or subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Guarantees and the liens over any other assets of such entities securing the Notes and the Guarantees may be released. See "Description of Other Financing Arrangements—Intercreditor Agreement" and "Description of the Notes—Security".

Delays in enforcement could decrease or eliminate recovery values. In addition, the holders of the Notes will not have any independent power to enforce, or have recourse to, any of the security documents or to exercise any rights or powers arising under the security documents, except through the Security Trustee as provided in the Intercreditor Agreement. By accepting the Notes, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against the Issuer and the Guarantors in the event of a default. See "Description of Other Financing Arrangements—Intercreditor Agreement".

***The Issuer and the Guarantors will have control over the Collateral, and the operation of the business or the sale of particular assets could reduce the pool of assets securing the Notes.***

The security documents allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the Collateral. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the Guarantors may, among other things, subject to the terms of the security documents, without any release or consent by the Trustee or Security Trustee, conduct ordinary course activities with respect to the Collateral such as selling, modifying, factoring, abandoning or otherwise disposing of Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Notes.

In addition, the operation of large scale manufacturing activities is subject to hazards such as fire, explosion, release of high-temperature steam or water, structural collapse and machinery failure. These and other hazards can cause severe damage to and destruction of the property, plant and equipment that serves as Collateral. While we intend to continue to maintain insurance or otherwise insure against hazards in the manner described in this Offering Memorandum, there are certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses, and as a result, if there is a loss of any of the Collateral, the insurance proceeds may not be sufficient to replace the Collateral. In addition, even if there is sufficient insurance coverage, there may be significant delays in obtaining the insurance proceeds or replacement Collateral. As a result, if we incur an event that damages or destroys Collateral, it could reduce the aggregate value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Notes.

***The value of the Collateral and the Guarantees may not be sufficient to satisfy our obligations under the Notes or the Guarantees.***

The assets that constitute the Collateral hereunder are also pledged, on a priority basis, for the benefit of the lenders and letter of credit issuers under the Revolving Credit Facility, counterparties under certain priority hedging

obligations and the holders of the Existing Senior Secured Notes. In addition, the Indenture will allow us to incur certain additional permitted indebtedness in the future that is secured by the Collateral. See "Description of the Notes—Certain Covenants—Liens". The incurrence of any additional secured indebtedness or a reduction in the value or quantum of Collateral would reduce amounts payable to you from the proceeds of any sale of the Collateral. The value of the Collateral and the amount to be received upon a sale of such Collateral will depend upon many factors including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which our operations are located, the availability of buyers and other factors. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. Portions of the Collateral may be illiquid and may have no readily ascertainable market value. The Collateral is located in a number of countries, and the multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable value of the Collateral. To the extent that holders of other secured debt or third parties enjoy liens (including statutory liens), whether or not permitted by the Indenture, such holders or third parties may have rights and remedies with respect to the Collateral securing the Notes and the Guarantees which, if exercised, could reduce the proceeds available to satisfy the obligations under the Notes and the Guarantees. The Intercreditor Agreement provides that, in the event of any distribution of the proceeds from the sale of any shared Collateral securing the Notes, the lenders and letter of credit issuers under the Revolving Credit Facility and the counterparties to certain priority hedging obligations will be entitled to receive from such distribution payment before the holders of the Notes will be entitled to receive any payment from such distribution with respect to the Notes or the Guarantees, which will reduce the amounts remaining to satisfy the obligations under the Notes. In addition, the Notes will share any payment received from such distribution with holders of the Existing Senior Secured Notes. As a result, in the event of an enforcement of the liens in respect of the Notes, the proceeds from the sale of the Collateral may not be sufficient to satisfy our obligations under the Notes or the obligations of the Guarantors under the Guarantees.

***The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes.***

If there is an event of default in the Notes, the holders of the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes. In addition, in the future, the obligations to provide additional guarantees and grant additional security over assets, whether as a result of the creation of future assets or subsidiaries or otherwise, are, in certain circumstances, linked to our obligations under the Revolving Facility Agreement, subject to certain agreed security principles. To the extent that lenders under the Revolving Facility Agreement are granted security, the negative pledge in the Indenture may require, subject to local law limitations, such security to also be granted for the benefit of holders of the Notes. The agreed security principles set forth in the Revolving Facility Agreement contain a number of limitations on the rights of the lenders to be granted security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted or perfected over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the security provided by the Issuer or the Guarantors.

To the extent that the claims of the holders of the Notes exceed the value of the assets securing those Notes and other obligations, those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking ***pari passu*** with the Notes. As a result, if the value of the assets pledged as security for the Notes is less than the value of the claims of the holders of the Notes, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid.

***Investors' rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.***

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions we are required to take to perfect any of these liens or amendments to the security documents. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified.

The Trustee or the Security Trustee for the Notes will have no obligation to monitor, or we may not comply with our obligations to inform the Trustee or Security Trustee of, any future acquisition of property and rights by us, and the necessary action may not be taken to properly perfect the security interest in such after-acquired property or rights. Such failure may result in the invalidity of the security interest in the Collateral or adversely affect the priority of the security interest in favour of the Notes against third parties. Neither the Trustee nor the Security Trustee for the Notes has any obligation to monitor the acquisition of additional property or rights by us

or the perfection of any security interest.

***Additional Guarantees provided by the Post-completion Guarantors and security interests in the assets held by the Post-Completion Guarantors that will constitute collateral will not be granted on the Issue Date.***

The Post-completion Guarantors will not guarantee or provide security for the Notes for up to 30 days after the Completion Date. Although the Issuer is obligated to procure that the Post-completion Guarantors guarantee the Notes and grant security in favour of the holders of the notes within 30 days following the Completion Date, such guarantees and security may be subject to significant limitations and exceptions. A failure to put in place the guarantees or to grant security interests over the assets of the Post-completion Guarantors on or prior to the date that is 30 days following the Completion Date would not itself constitute an event of default under the Indenture.

***There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically and under which the Guarantees will be released automatically, without your consent or the consent of the Trustee.***

Under various circumstances, Collateral will be released automatically, including:

- in connection with any sale of the property or assets to a person that is not the Issuer or a Restricted Subsidiary, if the sale or other disposition complies with the requirements of the covenant set forth under "Description of the Notes—Repurchase at the Option of Holders—Asset Sales", regardless of whether such requirements are otherwise applicable, or is otherwise permitted in accordance with the Indenture;
- if such Collateral is an asset of a Guarantor or any of its subsidiaries or a Guarantor in connection with any sale or other disposition of Capital Stock of that Guarantor to a person that is not the Issuer or a Restricted Subsidiary that complies with the requirements of the covenant set forth under "Description of the Notes—Repurchase at the Option of Holders—Asset Sales";
- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the security documents or the Intercreditor Agreement, the release of the property and assets, and capital stock, of such Guarantor;
- if the Issuer designates any Restricted Subsidiary to be an unrestricted subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and capital stock, of such Subsidiary;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under the captions "Description of the Notes—Legal Defeasance and Covenant Defeasance" and "Description of the Notes—Satisfaction and Discharge";
- as described under "Description of the Notes—Amendment, Supplement and Waivers"; or
- in connection with an enforcement sale pursuant to the Intercreditor Agreement.

Even though the holders of the Notes share in the Collateral ratably with the lenders under the Revolving Credit Facility and the Existing Senior Secured Notes, in certain cases the lenders under the Revolving Credit Facility will initially control enforcement actions with respect to the Collateral through the Security Trustee, whether or not the holders of the Notes agree or disagree with those actions. For example, although enforcement instructions given by holders of the Notes will prevail after such 30-day period, if (i) the creditors under our Revolving Credit Facility are not fully repaid and our existing hedging counterparties are not paid up to a certain amount within six months after an acceleration of our Revolving Credit Facility or the Notes, (ii) the Security Trustee has not commenced any enforcement action within three months from the date requested by creditors under the Revolving Credit Facility or (iii) an event of insolvency has occurred and the Security Trustee has not commenced any enforcement action, then enforcement instructions by the lenders under our Revolving Credit Facility and our existing hedging counterparties will prevail. See "Description of the Notes—Security".

***You may face foreign exchange risks or adverse tax consequences by investing in the Notes denominated in foreign currencies.***

The Notes will be denominated and payable in euros and Australian dollars. If you are a U.S. dollar or other non-euro or non-Australian dollar investor, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro or Australian dollar relative to the U.S. dollar or other relevant currencies because of economic, political or other factors over which we have no control. Depreciation of the euro or Australian dollar against the U.S. dollar or other relevant currencies could cause a decrease in the effective yield of the Notes below their stated coupon rate and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure the return on

your investments. Investments in the Notes by U.S. investors may also have important tax consequences as a result of foreign exchange gains, if any. See "Taxation—Certain Material U.S. Federal Income Tax Considerations— Exchange of Foreign Currencies".

***An active trading market may not develop for the Notes, in which case the ability of holders of the Notes to transfer the Notes will be more limited.***

The Notes are new securities for which there is currently no market. The Issuer cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which holders of the Notes may be able to sell them. Although application will be made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the Notes may not become or may cease to remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF Market, failure to be approved for listing or the delisting of the Notes, as applicable, from the Official List of the Luxembourg Stock Exchange may have a material effect on a holder's ability to resell the Notes in the secondary market. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any market for the Notes will likely be subject to similar disruptions.

The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as third party recommendations. The Initial Purchasers have informed us that they intend to make a market in the Notes. However, they are not obligated to do so and may discontinue such market making at any time without notice. As a result, an active trading market for the Notes may not develop or, if one does develop, it may not be maintained. If no active trading market develops, holders of the Notes may not be able to resell their Notes at fair value, if at all.

The liquidity of, and trading market for, the Notes may also be affected by declines in the market for high yield securities generally. Such a decline may affect any liquidity and trading of the Notes independent of our or the Issuer's financial performance and prospects.

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

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

***Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.***

The Notes have not been and will not be registered under the Securities Act or the securities laws of any jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. The Issuer has not undertaken to effect any exchange offer for the Notes. You should read the discussions in "Notice to Investors" for further information about these and other transfer restrictions. It is your obligation to ensure that your offers and sales of Notes comply with applicable law.

***Your rights as a holder of Notes will be limited so long as the Notes are issued as book-entry interests.***

Owners of the Book-Entry Interests (as defined in "Book-Entry, Delivery and Form) will not be considered owners or holders of Notes unless and until definitive Notes are issued in exchange for Book-Entry Interests. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream will be the registered holder of the Global Notes representing the Notes. After payment to the registered holder, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of Book-Entry Interests. Accordingly, if you own a Book-Entry Interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture. See "Book-Entry, Delivery and Form".

Unlike the holders of the Notes themselves, owners of Book-Entry Interests will not have any direct rights to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all Book-Entry Interests, if you own a Book-Entry Interest, you will be restricted to acting through Euroclear or Clearstream. The procedures to be implemented through Euroclear or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "Book-Entry, Delivery and Form".

***The interests of our principal shareholder may conflict with the interests of holders of the Notes.***

PAI owns a majority interest in the share capital of Riviera Topco S.à r.l., the Issuer's indirect parent, on a fully diluted basis and has certain control rights pursuant to a security holders' agreement between Riviera Topco S.à r.l. and PAI. As a result, PAI has and will continue to have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve any other changes to our operations. The interests of our shareholders, in certain circumstances, may conflict with the interests of holders of the Notes. For example, the shareholders could vote to cause us to incur additional indebtedness or to sell certain material assets, in each case, as permitted under the Indenture. Incurring additional indebtedness would increase our debt service obligations and selling assets could reduce our ability to generate revenue, each of which could affect the holders of the Notes adversely. Even if these shareholders and their affiliates make divestitures such that they control less than a majority of the equity in our parent company, they may still be able to effectively control or strongly influence our decisions. In addition, such divestitures may not trigger a change of control under the Indenture governing the Notes. See "Principal Shareholders".

***The Issuer does not currently control Peters and its subsidiaries and will not control Peters and its subsidiaries until completion of the Peters Acquisition.***

Peters and its subsidiaries are currently controlled by certain funds and entities managed or advised by Pacific Equity Partners. The SPA includes obligations on the part of the Seller that it will continue to conduct business only in the ordinary course and that it will not take certain actions without consent from the Purchaser. Outside of the context of these restrictions, however, we will not obtain control of Peters until completion of the Peters Acquisition. The information contained in this Offering Memorandum has been derived from public sources and, in the case of historical information relating to Peters and its subsidiaries, has been provided to us by Peters and its subsidiaries, and we have relied on such information supplied to us in its preparation. Further, the Peters Acquisition has required, and will likely continue to require, substantial amounts of management's time and focus, which could adversely affect their ability to operate the business. Likewise, either the Issuer's or Peters' employees may feel affected by the Peters Acquisition, which could affect work quality or general employee-relations.

In addition, prior to the Completion Date, neither Peters nor any of its subsidiaries will be subject to the covenants described in "Description of the Notes" to be included in the Indenture. Except with respect to certain restrictions imposed on the Seller pursuant to the SPA, we cannot assure you that, prior to such date, Peters or any of its subsidiaries will not take an action that would otherwise have been prohibited by the Indenture had those covenants been applicable.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with the audited financial statements and related notes thereto and other financial information included with this document. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Risk Factors" and "Forward-Looking Statements" sections of this Offering Memorandum. Our actual results may differ materially from those contained in or implied by any forward-looking statements.*

### Overview

We are the second largest take-home ice cream manufacturer in Europe, with leading market shares in each of the United Kingdom, German, French and Italian ice cream markets. We offer a broad product range of private label and branded ice cream products. We primarily produce take-home ice cream products, including ice cream tubs and multi-packs of ice cream cones, ice lollies, ice cream sticks and ice cream desserts, and impulse products, which individuals buy on impulse for immediate consumption. Our scale, focus on large, stable take-home markets and highly efficient manufacturing operations provide us with key advantages over our competitors and have allowed us to continue to generate stable earnings and significant free cash flow through various economic cycles. We believe our broad product range allows us to maintain strong sales volumes as consumer demand shifts between branded and private label products, including as a result of economic cycles. For the twelve months ended March 31, 2014, we generated R&R Pro Forma Adjusted EBITDA of €107.8 million, pro forma revenue of €714.4 million and our free cash flow before acquisitions was 56.8 million, or 52.7% of our R&R Adjusted EBITDA for the twelve months ended March 31, 2014.

We operate nine plants located in five countries in Europe, eight of which are in the four largest ice cream markets in Europe, which allows us to supply our customers quickly and efficiently in their markets. Our manufacturing platform benefits from many years of significant capital investment and footprint rationalisation. We have invested over €340 million in our operations, including acquisitions and improvements to our properties, plant and equipment, over the last six years, which has provided us with a modern and efficient portfolio of facilities. Our plants have also benefited from sharing and implementation of best practices and procedures across our Group in order to leverage technological expertise. We have consolidated certain of our operations following the closure of three plants during 2013, which resulted in modest cost savings and improved efficiency across our facilities in the year ended December 31, 2013. In the year ending December 31, 2014, we expect to recognise more significant cost savings with respect to these closures, as described in footnote (2) of the table entitled "Other Financial and Pro Forma Information for R&R Ice Cream" in "Summary Historical Consolidated Financial and Other Information". In addition, we have acquired numerous manufacturing facilities in recent years, and following each acquisition we have made capital improvements and implemented our best practices in order to bring such facilities in line with our group-wide standards. We believe that our scale and manufacturing footprint provides us with a competitive advantage over most of our competitors, which are generally smaller and only offer regional distribution.

### Factors Affecting our Business

Various factors affect our operating results during each period, including:

*Seasonality*. Our business is seasonal, and a large percentage of our sales are generated between the months of April and August of each year. As a result of our seasonality, our sales fluctuate from quarter to quarter, which often affects the comparability of our results between quarterly periods. In 2013, we generated 70% of our sales between April 1 and September 30. In the United Kingdom, our sales of take-home products are usually less seasonal than our sales of impulse products. Sales in certain of our markets are more seasonal than others, based on factors such as weather patterns and consumer preference.

We generally produce most of our products prior to and during our summer selling season, as it is impossible for us to produce upon receipt of orders for all customers during the primary selling season. Our inventory levels peak at the end of May, as we generally build our inventory with what we expect to sell in the following three to five weeks, and produce the remainder upon order by customers. We generally produce in advance a higher percentage of our branded inventory than our private label products as these are not as dependent on the satisfactory conclusion of the annual contracts prevalent in mainland Europe. If demand levels fluctuate, we can generally increase or decrease production to bring our stock to our desired levels within approximately three weeks. During our peak production periods, we purchase large amounts of raw materials, hire additional workers at our facilities as temporary workers and incur many other costs of our operations that we consider to be variable.

We finance our working capital needs through cash and cash equivalents, revolving credit borrowings and factoring facilities. Our working capital requirements are typically higher in the first half of each year due to our build-up of

inventory for the summer selling period. As a result, our revolving credit and factoring borrowings typically increase from January to June. In July, as we begin to generate cash from early summer season sales of our ice cream products, we begin to repay our borrowings. In 2012, we put factoring facilities in place in the United Kingdom and France, and in 2013 in Germany, to supplement our Revolving Credit Facility and cash on hand. Our cash and cash equivalents typically peak in October of each year, although, since 2010, this has not been the case due to the timing of acquisitions. See "—Acquisitions of Complementary Businesses" and "—Impact of Acquisitions".

We anticipate that the Peters Acquisition will decrease seasonal fluctuations in our results. The ice cream market in Australia is less subject to seasonal fluctuations, as Peters operations are entirely conducted in Australia, which has alternating seasons.

*Changes in Prices of Raw Materials.* Raw materials used as ingredients and for packaging account for a significant portion of our cost of sales and accounted for 62% of our cost of sales in 2013. The principal raw materials we use to manufacture our products are cream, milk, whey protein, sugar, glucose, cocoa, butter, coconut oil and palm oil. Many of the raw materials we use in our manufacturing processes are commodities and are subject to significant price volatility. For example, in 2007 prices of many of the commodities we use to produce our products surged, primarily due to production shortages worldwide and increased consumption, in particular in China and India. International dairy prices rose by approximately 46% between November 2006 and April 2007, with milk powder prices increasing at an even faster rate. As a result, our total raw material costs for 2007 increased by 77% compared to 2006. Dairy prices remained high in 2012 as prices of butter decreased from approximately €3,500 per ton in January 2012 to a low of €2,500 per ton in May 2012 but then increased to €3,400 per ton by December 2012. Prices of skimmed whey powder steadily increased from approximately €2,400 per ton in January 2012 to a peak of €2,750 per ton in October 2012, receding to €2,650 per ton by the end of the year. Dairy prices also increased in 2013 as prices of Euro skimmed milk powder increased from €2,700 per tonne at the start of 2013 to €3,300 in December 2013, an increase of 22%. We estimate year-on-year dairy costs for the Group have increased €10 million. These cost increases impacted our cost of sales in 2013 and adversely affected our profitability. The price of Euro skimmed milk powder has remained high for the three months ended March 31, 2014, decreasing to €3,200 per tonne at the end of March from €3,300 per tonne from the start of the year. Changes in the price of oil has also had a significant impact on our results each year as it has an effect on the cost of packaging, freight and the cost of other components that we use in our manufacturing process, such as plastic.

We continue to take actions to reduce overall materials expense and exposure to price fluctuations. Since 2007, we have increased the amount of raw materials that we purchase pursuant to fixed price contracts which set prices for our raw material sales for that entire year. We enter into these arrangements when we believe that we can secure favourable prices for our raw materials for specified future periods. We currently fix 63% of the annual cost of our raw materials used for ingredients and packaging through fixed-price contracts.

Dairy products represented 16% of our cost of sales in 2013. Fixed-price contracts do not generally exist for dairy products, although in 2011 for the first time we were able to obtain some three-month hedges. In response to the large dairy price fluctuations in 2007 we, as well as the majority of the other ice cream producers in Europe, reduced the amount of dairy fat and increased the amount of vegetable fat in our ice cream products. We believe this trend has not affected market sales. The price of vegetable fat is generally less volatile than the price of dairy fat, and since vegetable fat costs less than dairy fat, the impact on our overall cost of production is not as significant when prices of vegetable fat products fluctuate. Most ice cream produced in the United Kingdom, including our ice cream products (except Kelly's), has typically been vegetable fat-based. Since 2007 we have also generally increased the amount of vegetable fat and reduced the amount of dairy fat in Germany and in other parts of Europe, and thus we are less subject to fluctuations in the price of dairy fat than we were prior to the conversion. As a result of this conversion, we reduced our dairy costs by approximately 50% in Germany and France from 2007 to 2012. However, increasing demand for premium ice cream products across all markets is now leading to an increased requirement of dairy fats.

The primary inputs and ingredients for the Peters business are similar and include dairy, sugar, resins and paperboard, all of which (except resin) are used by R&R. The dairy prices in Australia track global dairy prices, which have been above the historical long-term average in the past two years. Although Peters is able to enter into fixed price contracts for some dairy products and certain other products, Peters is not able to hedge against all dairy price risks, other than fixing price and volume over a contracted period. In addition to dairy, Peters' key inputs include sugar, resins and paperboard. Sugar and sugar derivatives are generally purchased based on forward contracts with suppliers for periods of up to 12-18 months. Peters has adopted a rolling forward cover plan for major commodities such as sugar, looking out two years and making recommendations to take forward positions based on recent, current and anticipated market conditions, the primary objective of which is to mitigate against unforeseen exposure. Resin is a derivative of crude oil and therefore fluctuates with the price of crude oil. An increase in the price of crude oil could affect Peters' product margin and results of operations. Peters has a "rise and fall mechanism" for its rigids category (plastic tubs), which is inclusive of a resin price review.

*Weather Trends.* Sales of ice cream are generally positively impacted by warm, sunny, dry weather and are negatively

impacted by cool, overcast or rainy weather. Hours of sunshine, temperature and rainfall are the three most important weather factors during the summer selling season. Our results of operations for the year ended December 31, 2012 were adversely affected because sunshine hours were much lower than average, with lower than average temperatures in the United Kingdom. The 2012 summer was the wettest summer recorded in the United Kingdom since 1912. These adverse weather conditions negatively impacted our United Kingdom results, however the impact was partly offset by generally dry and sunny weather and, in some cases, extremely high temperatures in Germany during the 2012 summer, particularly in August. Our results for the first half of the year ended December 31, 2013 were also adversely affected by weather. In the middle of the key selling season, Germany experienced the worst spring in 50 years and suffered severe flooding. German insurer Munich Re described the flooding as the most expensive natural disaster in German history. The poor early season weather also impacted the Italian market as a whole, forcing our branded competitors to double their promotion levels taking their branded price points to levels similar to our private label price points, and our sales suffered accordingly. Fortunately, in July, weather improved throughout Europe and sales benefited accordingly such that all our leading markets except Italy grew. Although the weather in Europe during the first quarter does not have a large impact on sales because it is still the winter season, for the three months ended March 31, 2014, sunshine hours were higher than the average of the last 10 years in the United Kingdom and were higher than in the same period of 2013. For the three months ended March 31, 2014, it was also much wetter than in the same period in 2013, and as compared to the average for the last ten years. The temperature was significantly higher year-on-year. In Germany, the weather in the first quarter of 2014 was relatively mild. However, the first quarter of each year is a relatively slower sales period as compared to other periods during the year and thus while more mild weather in the first quarter was helpful, it has a relatively small impact on our annual results.

Sales of impulse ice cream are more dependent on warm weather than sales of take-home ice cream, as consumers are more likely to buy those products as snacks on warm, sunny, dry days, however, impulse ice cream is not a significant part of our business. Trends in take-home ice cream, such as the introduction of premium products and indulgent flavours (which frequently contain enhancements such as pieces of confectionery or biscuits) and the resulting increase in home consumption have made ice cream sales less dependent on warm, sunny, dry weather as consumers increasingly purchase ice cream as part of their weekly grocery shopping as opposed to an item purchased on impulse. This is particularly important in countries where the summer months do not always guarantee warm, sunny or dry weather, such as the United Kingdom. Our acquisition of Eskigel has increased the proportion of our sales generated in Southern Europe, and we are thus less dependent on weather patterns in North Western Europe, although in 2013, weather in Italy was particularly unpredictable, which had a negative impact on our Southern Europe sales.

We are able to take steps to control our costs during the summer season if weather trends to be adverse. For example, a portion of our factory workforce across our enterprise is employed on a seasonal basis. We are able to shorten the work period for our seasonal workers if our product requirements do not meet our projections, although we generally are required to make any such determination early in the summer season.

The weather in Australia is less seasonal than in Europe. Whereas the average number of sunshine hours per day differs by approximately 134% between winter and summer in the United Kingdom, the average difference in sunshine hours per day between winter and summer in Sydney, Australia is only approximately 33% and approximately 26% in Brisbane.

*Competition and Market Trends*. The ice cream industry is highly competitive, and our products compete based on a variety of factors, including design, quality, price, customer service and rate of innovation. Levels of competition and the ability of our competitors to more accurately address consumer tastes, predict trends and otherwise attract customers through competitive pricing or other factors impact our results of operations. Our competitors' ability to identify and encourage changes in consumer trends, as Unilever has with its Ben & Jerry's brand in Europe and in Australia, may impact our decision regarding what types of ice cream to develop and sell.

Certain actions by our competitors may impact our operating results, such as changes in their pricing or marketing or levels of promotional sales, which may cause us to take certain actions that impact our profitability, such as reductions in our prices or increases in our marketing expenditures. Some of our competitors from time to time reduce their prices significantly in order to enhance their brand recognition. In addition, during more difficult economic conditions, as was experienced throughout European economies in 2011 and 2012, the level and frequency of promotional activity required to stimulate sales is typically greater than in less difficult economic conditions. The levels at which we are able to price our products are influenced by a variety of factors, including the quality of the product, cost of production for those products, prices at which our competitors are selling similar items and willingness of our customers to pay for higher priced items. These factors may limit our ability to respond to such price reductions. For example, in the United Kingdom, we are able to discount our prices from time to time, while in Germany we often have fewer discounts because "every day prices" are low and there are generally less promotions. We have also sought to enhance our competitive position by increasing our scale, diversifying our products and enhancing and acquiring brands and brand licences.

*Foreign Currency Exchange Rates*. As a result of our operations in various countries, we generate a significant portion of our sales and incur a significant portion of our expenses in currencies other than the euro, including the British Pound and the Polish Zloty, and following the Peters Acquisition, the Australian dollar. During 2013, 34% of our reported revenue was derived from subsidiaries whose functional currency is not the euro, largely the British Pound. We expect this number to increase following the Peters Acquisition. The purchase of Eskigel reduced our relative exposure to fluctuations in the British Pound against the euro, but the subsequent acquisition of Fredericks increased our exposure to such fluctuations. Typically, our costs and the corresponding sales are denominated in the same currency. Sometimes, however, we are unable to match sales received in foreign currencies with costs paid in the same currency, and our results of operations are consequently impacted by currency exchange rate fluctuations. Therefore, as and when we determine it is appropriate and advisable to do so, we seek to mitigate the effect of exchange rate fluctuations through the use of derivative financial instruments.

We present our consolidated financial statements in euro. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than the euro into euro at then-applicable exchange rates. The Peters Acquisition will increase the amount of our assets, liabilities, revenue and expenses which we must translate into euro. Consequently, increases or decreases in the value of the euro may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger euro will reduce the reported results of operations of the non-euro businesses and conversely a weaker euro will increase the reported results of operations of the non-euro businesses. These translations could significantly affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and stockholders' equity. We record the effects of these translations in our consolidated statement of comprehensive income as exchange differences on retranslation of foreign operations. During 2013, the euro to British Pound exchange rate averaged 1.1708 to 1 compared to an average of 1.2332 to 1 in 2012. During 2013, the euro to Australian dollar exchange rate averaged €0.7293 to AUD 1.00 compared to an average of €0.8058 to AUD 1.00 in 2012.

*Acquisitions of Complementary Businesses*. We plan to continue to evaluate acquisition opportunities to selectively acquire businesses that may improve our market share and product offerings, reduce costs, or allow us to enter new geographic markets. We have completed 18 acquisitions since 1995 and expect to complete the Peters Acquisition following the Offering. Following any acquisition, our results of operations will be impacted by the results of the newly acquired business, debt incurred to acquire the business and expenditures made to integrate the newly acquired business into our company. In general, when looking to integrate and improve a newly acquired business, we look to several main areas: (i) reviewing current prices and product engineering or changing recipes to achieve acceptable margins on products sold; (ii) researching ways to enhance our purchasing to benefit from economies of scale; (iii) reducing duplicated overhead; (iv) moving production to the most efficient locations, subject to geography and logistics; (v) sharing knowledge and experience; (vi) creating synergies with and benefits to the existing businesses; and (vii) improving management of working capital. Many of these integration measures will require expenditure by us. When acquiring a business, we believe that the best results are achieved by reviewing the existing business over the first year and identifying the strengths and weaknesses of that business. During this period we look to implement the R&R management accounts and key performance indicators to provide reliable standardised information. Additionally, we seek to achieve certain improvements, for example, from the purchase of ingredients at better prices, that we believe are relatively easy to attain. After a period of observation and understanding, we determine the extent of capital expenditure required to improve the business, potential further synergies that we believe can be extracted, any staffing resources we believe may enhance the business and any identifiable savings we believe can be achieved.

We recently acquired Fredericks, which we integrated into the R&R business more quickly than other acquired businesses in the past due to its quality. At the time of the Fredericks Acquisition, Fredericks was already a well performing largely branded business and it had functions that were very similar to the existing R&R UK business. Therefore, the existing sales force in Fredericks significantly replicated the sales force in R&R and duplicative roles could be eliminated while strengthening the combined team. Consequently, most of the Directors & senior management of Fredericks left and the finance function was absorbed into the existing R&R UK function. Certain products, notably tub products, were transferred from Fredericks' Skelmersdale facility to our Leeming Bar facility where these products could be made at lower costs. These factors contributed to a significant improvement in the profitability of the acquired business.

Although Peters will continue to operate as a standalone and autonomous business, the acquisition will allow us to share knowledge and best practices with Peters and increase our revenues from branded products. We also anticipate benefits from the international expansion from Europe to Australia and greater geographic diversification of operations and markets. Peters also offers opportunities for cross-selling, for example, by taking advantage of our expertise in the private label market in Europe to build Peters' business in the growing private label market in Australia.

Certain acquisitions have resulted in, and future acquisitions may result in, efficiencies of scale and therefore provide cost savings across the company. When integrating a newly acquired business, we review the key production facilities and

processes gained with that business to determine if they are duplicative of our current facilities and production capabilities. Through this review and the resulting combination of duplicative processes, we are often able to streamline our operations, reduce costs and recognise synergies across our operations.

***Retailer Customer and Consumer Preferences***. Our revenues are also impacted by our ability to continue to produce ice cream that is desired by our retailer customers. Retailer customers purchase our private label ice cream primarily based on price, quality, our ability to deliver products which meet their margin targets, our ability to deliver our products on a timely basis and our ability to manufacture various types of ice cream in large volumes. Our ability to meet these demands impacts our ability to sell to new and existing private label customers. In addition, our ability to effectively sell our branded products to our customers is driven by consumer demand for our products, as a result of, among other things, our marketing campaigns and the taste and quality of our products. In Australia, the grocery channel has three main producers and therefore, our revenues could be impacted if we were not able to produce types and brands of ice cream that were desired by any one of those retailers.

**Impact of Acquisitions**

***Impact of the Peters Acquisition***

On May 27, 2014, we announced that we signed a definitive agreement providing for the Peters Acquisition. The Peters Acquisition has no impact on our condensed consolidated financial information for the three months ended March 31, 2014 or 2013. We would expect our future costs, operating expenses, capital expenditure and debt to increase as a result of the Peters Acquisition, and our exposure to seasonality fluctuations to decrease. Peters is a largely branded business and will increase the branded share of R&R's business to approximately 43%. Peters is a leading Australian ice cream manufacturer with a Pro Forma Adjusted EBITDA margin of 19.1% during the twelve months ended March 31, 2014. Peters has both higher gross margins and overhead, which are partially attributable to the operational costs of delivering ice cream products over a significant land mass. Management expects the Peters Acquisition to be margin enhancing and cash generative for the R&R business.

***Impact of the Fredericks Acquisition***

In July 2013, we acquired Fredericks for €57.3 million. Fredericks is a manufacturer of ice cream in the United Kingdom and is based in Skelmersdale, Lancashire. Fredericks has a licence to manufacture ice cream products for Cadbury, Del Monte, Nichols, Britvic and Tangerine and they were the sole supplier of ice cream to the 2012 London Olympics. Fredericks is a successful business and we believe its branded products will prove to be valuable additions to our portfolio and will enable us to extend our successful partnership with Mondelēz into the United Kingdom. Our consolidated income statement data for the year ended December 31, 2013 includes Fredericks results since July 1, 2013. Following the Fredericks acquisition, in 2013, Fredericks contributed €25.7 million to our revenues and €3.0 million to our Adjusted EBITDA. In future periods, Fredericks' results will be fully consolidated with our financial results. Due to the accounting impact of the Fredericks acquisition and consolidation of the operating results of the acquired businesses, our results as of and for the years ended December 31, 2011, 2012 and 2013 are not directly comparable. In addition, our future costs and operating expenses may increase as a result of the Fredericks acquisition.

***Impact of the Eskigel Acquisition***

On July 31, 2012, we acquired Eskigel, an Italian ice cream manufacturer. The Eskigel business has 343 employees and operates from a factory in Terni, Umbria. Eskigel produced approximately 59 million litres of ice cream in 2013. Eskigel is a leading supplier of private label ice cream to Italy's leading supermarkets including Coop, Conad and Carrefour. Our consolidated income statement data for the year ended December 31, 2012 includes Eskigel's results since July 1, 2012. Following the acquisition, in 2012, Eskigel contributed €43.1 million to our revenues and €5.5 million to our Adjusted EBITDA. Eskigel's results were fully consolidated with our financial results in the year ended December 31, 2013. As a result of the Eskigel acquisition, our results as of and for the years ended December 31, 2011, 2012 and 2013 are not directly comparable.

***Acquisition Accounting***

We have accounted for the acquisitions of Fredericks and Eskigel using the acquisition method of accounting. As a result, the purchase price for each of Fredericks and Eskigel has been allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values as of the date of the acquisition.

The excess of the purchase price over these allocations has been or will be assigned, as applicable, to goodwill, which is not amortised for accounting purposes but is subject to testing for impairment at least annually. The allocation of the purchase price of the assets acquired in the acquisition has been or will be determined, as applicable, by external experts. This determination of fair values has resulted in an increase to our amortisation expense. This relates to our acquired intangible assets because we adjust the book value of the acquired intangible assets to fair value. Under applicable

accounting guidance, we are permitted to continue to make fair value adjustments until 12 months after the acquisition date. We have evaluated the remaining depreciable lives of the manufacturing assets to reflect the estimated useful lives for purposes of calculating periodic depreciation, and we will continue to amortise the intangible assets over their estimated useful lives. We will also continue to review the value of the inventory and may make further adjustments to the fair value, which may change the costs and expenses recognised by us upon the sale of this acquired inventory.

***Future Acquisitions and Financing***

We have completed eight acquisitions since 2007. On May 27, 2014, we announced the Peters Acquisition in which we intend to purchase all of the issued and outstanding shares of Peters Food Group. In addition, we will continue to evaluate other acquisition opportunities and will also consider obtaining additional licensing agreements that would allow us to sell well-established brand name products to improve our market share and product offerings. As a result, acquisitions have in the past, and may be in the future, a significant factor affecting our results of operations.

**Components of Revenue and Expenses**

***Revenue***

We generate revenue from the sale of ice cream and related products. We generate sales under contracts with retailers, and by individual orders through sales personnel and independent brokers. In the United Kingdom, we generally enter into purchase orders or other contracts for sale that have a rolling thirteen-week term. In Germany and France we generally enter into longer-term contracts, typically for twelve months. In many cases, subject to certain exceptions, these contracts have fixed prices for products but do not provide for specific volumes to be purchased. Rather, the terms in the contracts govern individual purchase orders to be delivered to us as required by the retailer. In our contracts for sale of goods in Germany, certain of our prices for our goods vary based on our costs of raw materials, allowing us to pass some of our increased costs through to consumers. In Poland, we typically enter into contracts with distributors and retailers early in the calendar year, fixing pricing and retrospective rebate levels for the coming summer season. In Italy, relationships with customers are regulated by framework contracts setting quality standards and payment terms, while other metrics (such as prices, discounts, promotional campaigns and new products) are negotiated annually.

Revenues include sales of products less allowances, trade discounts and volume rebates. Revenue from sales of products is recognised when the significant risks of ownership have been transferred to the buyer (which is when the goods are dispatched). Our relationships with our retailer customers do not include a right of return for unsold merchandise.

In the three months ended March 31, 2014 and 2013, our ten largest customers by revenue, represented 52.9% and 51.0% respectively of our sales. Transactions with our largest customer accounted for 8.8% of our total revenue in the three months ended March 31, 2014, compared to 8.8% during the three months ended March 31, 2013. In the years ended December 31, 2013 and 2012, our ten largest customers by revenue, represented 49% our sales. Transactions with our largest customer accounted for 7% of our total revenue in the year ended December 31, 2013, compared to 8% during the year ended December 31, 2012. We believe that following the Peters Acquisition, our largest customer will account for less than 6% of our revenue for the fiscal year ended December 31, 2014.

***Expenses***

Our operating expenses primarily consist of:

- cost of sales;
- distribution expenses;
- administrative expenses; and
- finance expenses.

Of the foregoing, cost of sales, distribution expenses and administrative costs are our primary operating expenses. Each component of our operating expenses is described in further detail below.

*Cost of Sales*. Cost of sales comprises the costs of products that we sell. Cost of sales includes directly attributable costs such as material, labour, energy, product-specific research and development, maintenance and consumables. Our costs of sales are primarily variable in nature based on the amount of products we are selling at a given time.

Our raw material costs are the primary driver of our cost of sales, accounting for 62% of our cost of sales for the year ended December 31, 2013 compared to 63% for the year ended December 31, 2012. Personnel expenses, which are salaries and wages, paid to our officers and employees, also significantly impact our cost of sales, accounting for 13% of our cost of sales for each of the years ended December 31, 2013 and 2012. Our raw material costs and personnel expenses are expected to continue to be key components of our operating expenses in the future. For the three months ended March 31, 2013, our raw material and personnel costs accounted for substantially similar percentages of our costs of sales as they

did for the year ended December 31, 2013.

*Distribution Expenses*. Distribution expenses represent the costs associated with the storage and shipping of our products. These costs include freight, storage and other related distribution costs.

*Administrative Expenses*. Administrative expenses represent overhead costs including sales and marketing but also those costs associated with support functions, such as finance, human resources, IT, professional fees (legal and accounting) and senior management, and also include costs relating to impairment and amortisation of intangibles.

Typically, costs of these support functions are salaries and benefits, systems costs, insurance costs and costs of professional services. Administrative costs are relatively fixed in nature and were 9% of our sales for each of the three months ended March 31, 2014 and 2013 and were 10% of our sales for the year ended December 31, 2013, compared to 9% of our sales for the year ended December 31, 2012.

*Finance Expenses.* Finance expense consists primarily of cash interest expense on financial debt, interest rate derivative instruments, capital lease and other financing obligations in addition to non-cash interest on loans from our shareholders.

*Income Tax Expenses.* Our income tax provision includes United Kingdom and non-United Kingdom income taxes and is based on pre-tax income or loss. The effective rate is higher than the income tax rate in our countries of operation because of the non-deductibility of interest expense on some of our existing related party debt.

*Adjusted EBITDA.* Adjusted EBITDA is EBITDA, which is defined as profit/(loss) for the period before income tax (credit) charge, net finance expenses, depreciation, amortisation and impairment and profit/(loss) on disposal of property, plant and equipment, plus certain additional supplemental adjustments as described in detail in "Summary—Summary Historical Consolidated Financial and Other Information".

**Results of Operations**

The following table sets forth, for the periods presented, our consolidated statements of operations data. In the table below and throughout this "Management's Discussion and Analysis of Financial Condition and Results of Operations", our consolidated statements of operations data for the years ended December 31, 2012 and 2013 2014 have been extracted from our audited consolidated financial statements. The consolidated statements of operations data for the three months ended March 31, 2013 and 2014 have been extracted from our unaudited condensed consolidated interim financial information for the three months ended March 31, 2014. The information contained in the table below should be read in conjunction with our audited consolidated financial statements, our unaudited interim financial information and the related notes.

| | Year Ended December 31, | | | Three Months Ended March 31, | |
|---|---|---|---|---|---|
| *(in thousands of euros)* | **2011** | **2012** | **2013** | **2013** | **2014** |
| **Consolidated Statement of Income Information:** | | | | | |
| Revenue | 501,028 | 600,206 | 680,855 | 102,005 | 117,559 |
| Cost of sales (recurring) | (394,932) | (464,415) | (531,708) | (79,667) | (90,079) |
| Gross profit (before exceptional items) | 106,096 | 135,791 | 149,147 | 22,338 | 27,480 |
| Cost of sales (exceptional items) | (1,150) | (1,587) | (24,440) | 455 | (228) |
| Gross profit (after exceptional items) | 104,946 | 134,024 | 124,707 | 22,793 | 27,252 |
| Distribution expenses | (32,168) | (38,833) | (43,459) | (8,899) | (9,324) |
| Administrative expenses | (42,967) | (55,739) | (66,827) | (17,120) | (14,234) |
| Results from operating activities | 29,811 | 39,632 | 14,421 | (3,226) | 3,694 |
| Finance income | 1,335 | 2,030 | 843 | 232 | 704 |
| Finance expenses | (58,415) | (59,495) | (63,758) | (16,311) | (15,977) |
| Share of loss of equity-accounted investees (net of tax) | (51) | (206) | — | — | — |
| Loss before tax | (27,320) | (18,039) | (48,494) | (19,305) | (11,579) |
| Income tax (charge)/credit | 2,233 | (870) | 6,623 | 606 | 683 |
| Loss for the year | (25,087) | (18,909) | (41,871) | (18,699) | (10,896) |
| **Other Financial Information:** | | | | | |
| Adjusted EBITDA | 66,186 | 84,357 | 91,975 | 10,129 | 13,110 |

The table below also sets forth consolidated statement of income data expressed as a percentage of revenues for the periods indicated:

| | Year Ended December 31, | | | Three Months Ended March 31, | |
|---|---|---|---|---|---|
| *(in thousands of euros)* | **2011** | **2012** | **2013** | **2013** | **2014** |
| **Consolidated Statement of Income Information:** | | | | | |
| Revenue | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of sales (recurring) | (78.8) | (77.4) | (78.1) | (78.1) | (76.6) |
| Gross profit (before exceptional items) | 21.2 | 22.6 | 21.9 | 21.9 | 23.4 |
| Cost of sales (exceptional items) | (0.3) | (0.3) | (3.6) | 0.4 | (0.2) |
| Gross profit (after exceptional items) | 20.9 | 22.3 | 18.3 | 22.3 | 23.2 |
| Distribution expenses | (6.4) | (6.4) | (6.4) | (8.7) | (7.9) |
| Administrative expenses | (8.6) | (9.3) | (9.8) | (16.8) | (12.1) |
| Results from operating activities | 5.9 | 6.6 | 2.1 | (3.2) | 3.1 |
| Finance income | 0.3 | 0.3 | 0.1 | 0.2 | 0.6 |
| Finance expenses | (11.7) | (9.9) | (9.3) | (16.0) | (13.6) |
| Loss before tax | (5.5) | (3.0) | (7.1) | (18.9) | (9.8) |
| Income tax (charge)/credit | 0.5 | (0.1) | 1.0 | 0.6 | 0.6 |
| Loss for the year | (5.0)% | (3.1)% | (6.1)% | (18.3)% | (9.3)% |
| **Other Financial Information:** | | | | | |
| Adjusted EBITDA | 13.2% | 14.1% | 13.5% | 9.9% | 11.2% |

**Discussion and Analysis of our Results of Operations**

The tables and discussions set forth below provide a separate analysis of each of the line items that comprise our statement of income for each of the periods described below. In each case, the tables present (i) the amounts reported by us for the comparative periods, (ii) the euro change and the percentage change from period to period and (iii) the percentage change from period to period after removing the effects of changes in foreign exchange rates ("FX"). Changes in foreign currency rates have had a significant translation impact on our reported operating results in the periods presented below, since a significant portion of our operations have functional currencies other than the euro. As a result, we have included the percentage change net of exchange rates in order to present operational and other changes and factors in addition to FX that affected our business during the applicable periods. We have removed the effects of FX changes in each discussion by identifying the exchange rate used to translate the earlier period's non-euro denominated results and re-translating the later period's non-euro denominated results using that same rate. For the 2014 versus 2013 comparison, the British Pound balances in 2014 have been retranslated at 1.1670. For the 2013 versus 2012 comparison, the British Pound balances in 2013 have been retranslated at 1.2332, and for the 2012 versus 2011 comparison, the British Pound balances in 2012 have been retranslated at 1.1449. We have not adjusted the numbers for the impact of the Polish Zloty as this is not considered to be significant.

***Three Months Ended March 31, 2014 Compared to the Three Months Ended March 31, 2013***

The table below presents consolidated statement of income data, including the amount and percentage changes for the periods indicated:

| *(in thousands of euros)* | Three months ended March 31, 2014 | Three months ended March 31, 2013 | Amount of Change | Percent Change | Percent Change Excluding FX |
|---|---|---|---|---|---|
| **Unaudited Consolidated Statement of Income Information:** | | | | | |
| Revenue | 117,559 | 102,005 | 15,554 | 15.2% | 13.7% |
| Cost of sales (recurring) | (90,079) | (79,667) | (10,412) | (13.1) | (11.6) |
| Gross profit (before exceptional items) | 27,480 | 22,338 | 5,142 | 23.0 | 21.1 |
| Cost of sales (exceptional items) | (228) | 455 | (683) | (150.1) | (148.8) |
| Gross profit (after exceptional items) | 27,252 | 22,793 | 4,459 | 19.6 | 17.7 |
| Distribution expenses | (9,324) | (8,899) | (425) | (4.8) | (3.7) |
| Administrative expenses | (14,234) | (17,120) | 2,886 | 16.9 | 17.9 |
| Results from operating activities | 3,694 | (3,226) | 6,920 | 214.5 | 209.8 |
| Finance income | 704 | 232 | 472 | 203.4 | 197.2 |
| Finance expenses | (15,977) | (16,311) | 334 | 2.0 | 2.4 |
| Loss before tax | (11,579) | (19,305) | 7,726 | 40.0 | 39.5 |
| Income tax (charge)/credit | 683 | 606 | 77 | 12.7 | 11.5 |
| Loss for the period | (10,896) | (18,699) | 7,803 | 41.7% | 41.1% |
| **Other Financial Information:** | | | | | |
| Adjusted EBITDA | 13,110 | 10,129 | 2,981 | 29.4% | 26.9% |

*Revenue*

Revenue increased €15.6 million or 15.2% to €117.6 million for the three months ended March 31, 2014 as compared to €102.0 million for the three months ended March 31, 2013. Excluding FX, our revenue increased €14.0 million, or 13.7%. €10.2 million of this increase was attributable to the impact of the acquisition of Fredericks on July 9, 2013, which we did not own in the three months ended March 31, 2013. An additional €4.7 million was attributable to organic growth. The €0.7 million further increase in revenue is due to a change in our accounting policy in Germany. The change makes the German accounting treatment consistent with that of the rest of the Group. The €0.7 million reflects costs which were previously netted off cost of sales and are now netted off revenue. The impact is purely between revenue and cost of sales and has no impact on profit. Our business is seasonal and our first quarter occurs outside of our primary summer selling season. As a result, the first quarter accounted for an average of only 13% of our annual revenue during the three years ended December 31, 2013.

*Cost of Sales*

Cost of sales increased €10.4 million or 13.1% to €90.1 million for the three months ended March 31, 2014 as compared to €79.7 million for the three months ended March 31, 2013. Excluding FX, our cost of sales increased €9.2 million, or 11.6%. The increase in cost of sales is primarily attributable to increased sales, mainly as a result of the acquisition of Fredericks and partly as a result of the in organic growth discussed above.

Our gross margin (before exceptional items) increased 1.5 percentage points from 21.9% in the three months ended March 31, 2013 to 23.4% in the three months ended March 31, 2014. This is partly due to the reduced production overhead following the closure of the Crossgates, Carcassonne and Durigon factories in 2013, and partly due to increased revenue and volumes in Italy as compared to the three months ended March 31, 2013.

Exceptional items within cost of sales increased €0.7 million or 150% to a cost of €0.2 million for the three months ended March 31, 2014 as compared to an income of €0.5 million for the three months ended March 31, 2013. Excluding FX, our cost of sales increased €0.7 million, or 149%. The increase in cost of sales exceptional items is attributable to product recall insurance proceeds of €0.5 million received in 2013, and one-off costs associated with the integration of Fredericks in 2014.

*Distribution Expenses*

Distribution expenses increased €0.4 million or 4.8% to €9.3 million for the three months ended March 31, 2014 as compared to €8.9 million for the three months ended March 31, 2013. Excluding FX, our distribution expenses increased €0.3 million, or 3.7%. The increase is principally attributable to increased sales.

*Administrative Expenses*

Administrative expenses decreased €2.9 million or 16.9% to €14.2 million for the three months ended March 31, 2014 as compared to €17.1 million for the three months ended March 31, 2013. Excluding FX, our administrative expenses decreased €3.1 million, or 17.9%. The decrease in administrative expenses is principally due to a reduction in exceptional costs of €4.4 million. The remaining increase is UK-driven with increased marketing and selling costs of brands following the acquisition of Fredericks.

*Finance Expenses*

Net finance expenses decreased €0.8 million or 5.0% to €15.3 million for the three months ended March 31, 2014 as compared to €16.1 million for the three months ended March 31, 2013. Excluding FX, our net finance expenses increased €0.9 million, or 5.3%. We experienced €0.9 million of net foreign exchange losses in the three months ended March 31, 2013 compared to €0.2 million of net foreign exchange gains in the three months ended March 31, 2014. We also benefited from over €0.4 million of gains from marking-to-market of derivatives in 2014 which broadly offset the compounding impact (€0.6 million) of parent company loans.

*Income Tax Charge/Credit*

Income tax credit increased €0.1 million to €0.7 million for the three months ended March 31, 2014 as compared to €0.6 million for the three months ended March 31, 2013. Excluding FX, our income tax charge decreased €0.1 million. As our loss before tax has reduced year-on-year from €19.3 million to €11.6 million, increasing our taxable profit base, we have benefited from a lower level of non-deductible expenses and reduced tax rates in certain of our jurisdictions, lowering our effective tax rate. We continue to benefit from a zero tax rate in Poland, despite increased profitability there.

*Adjusted EBITDA*

Adjusted EBITDA increased €3.0 million or 29.4% to €13.1 million for the three months ended March 31, 2013 as compared to €10.1 million for the three months ended March 31, 2013. Excluding FX, our Adjusted EBITDA increased €2.7 million, or 26.9%. Of this increase, €1.0 million was attributable to Fredericks, which was not owned by us in the three months ended March 31, 2013, €1.2 million was attributable to improvements in profitability, mainly due to increased pricing for our products and cost savings resulting from the three factory closures in 2013, €0.5 million was attributable to the improved revenue for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 and €0.3 million was attributable to a more favourable exchange rate used to translate the results from our business in the United Kingdom in the three months ended March 31, 2014 compared to the three months ended March 31, 2013.

***Year Ended December 31, 2013 Compared to Year Ended December 31, 2012***

The table below presents consolidated statement of income data, including the amount and percentage changes for the periods indicated:

| *(in thousands of euros)* | Year Ended December 31, 2012 | Year Ended December 31, 2013 | Amount of Change | Percent Change | Percent Change Excluding FX |
|---|---|---|---|---|---|
| **Consolidated Statement of Income Information:** | | | | | |
| Revenue | 600,206 | 680,855 | 80,649 | 13.4% | 15.3% |
| Cost of sales | (466,002) | (556,148) | (90,146) | (19.3) | (21.2) |
| Gross profit | 134,204 | 124,707 | (9,497) | (7.1) | (5.1) |
| Distribution expenses | (38,833) | (43,459) | (4,626) | (11.9) | (13.6) |
| Administrative expenses | (55,739) | (66,827) | (11,088) | (19.9) | (22.0) |
| Results from operating activities | 39,632 | 14,421 | (25,211) | (63.6) | (61.6) |
| Finance income | 2,030 | 843 | (1,187) | (58.5) | (58.8) |
| Finance expenses | (59,495) | (63,758) | (4,263) | (7.2) | (7.8) |
| Share of loss of equity-accounted | (206) | — | 206 | 100.0 | 100.0 |
| Loss before tax | (18,039) | (48,494) | (30,455) | (168.8) | (166.5) |
| Income tax (charge)/credit | (870) | 6,623 | 7,493 | 861.3 | 851.0 |
| Loss for the year | (18,909) | (41,871) | (22,962) | (121.4%) | (119.7%) |
| **Other Financial Information:** | | | | | |
| Adjusted EBITDA | 84,357 | 91,975 | 7,618 | 9.0% | 11.2% |

*Revenue*

Revenue increased €80.6 million or 13.4% to €680.9 million for the year ended December 31, 2013 as compared to €600.2 million for the year ended December 31, 2012. Excluding FX, our revenue increased €92.1 million, or 15.3%. €46.8 million of this increase was attributable to the full year impact of Eskigel's sales, compared to only six months of sales attributable to Eskigel in the year ended December 31, 2012, as the Eskigel acquisition occurred on July 31, 2012. Fredericks' sales following the Fredericks acquisition on July 9, 2013, contributed an incremental €25.7 million to our revenues in the year ended December 31, 2013. In addition, the launch of Mondelēz -branded products in Germany and France resulted in €10.7 million of incremental sales. The remaining increase is due to strong summer sales in the United Kingdom and an increase in revenues in Poland as a result of the growth of private label sales.

*Cost of Sales*

Cost of sales increased €90.1 million or 19.3% to €556.1 million for the year ended December 31, 2013 as compared to €466.0 million for the year ended December 31, 2012. Excluding FX, our cost of sales increased €98.9 million, or 21.2%. The increase in cost of sales is partly attributable to €36.0 million of incremental costs resulting from a full year results of Eskigel in 2013 compared to six months in 2012. Further, our cost of sales for 2013 includes six months of Fredericks cost of sales following its acquisition on July 9, 2013. Fredericks contributed incremental costs of €20.3 million in 2013. In 2013, we closed three factories, one in the United Kingdom, one in Germany and one in France. Together, these closures incurred costs (including impairments) of €24.4 million, accounting for all of the €22.9 million incremental exceptional spend within cost of sales in the year ended December 31, 2013 as compared to the year ended December 31, 2012. Rising dairy prices also contributed to the increase in cost of sales in 2013 due to the increasing trend towards premium ice cream, which has resulted in a higher percentage of our costs being attributable to dairy, as dairy fat is the predominant fat used in premium ice cream products. We have managed to partly mitigate increasing prices for dairy products by increasing the prices for some of our products. While several of our contracts with our customers and retailers are based upon fixed price schedules, we secured price increases with certain customers in the United Kingdom in October 2013. Because we secured these price increases late in the year ended December 31, 2013, we did not recognise the full mitigating effect of the price increases in the year ended December 31, 2013, however we expect to recognise the beneficial impact of these price increases during 2014.

*Distribution Expenses*

Distribution expenses increased €4.6 million or 11.9% to €43.5 million for the year ended December 31, 2013 as compared to €38.8 million for the year ended December 31, 2012. Excluding FX, our distribution expenses increased €5.3 million, or 13.6%. The increase is principally attributable to a full year of distribution expenses in connection with Eskigel in 2013 compared to six months in 2012, which contributed an incremental €4.6 million to our distribution expenses in 2013. In addition, the mid-year acquisition of Fredericks contributed an incremental €1.6 million to our distribution expenses in 2013. Excluding the impact of Eskigel and Fredericks in the year ended December 31, 2013, our distribution costs decreased by €1.6 million as compared to the year ended December 31, 2012.

*Administrative Expenses*

Administrative expenses increased €11.1 million or 19.9% to €66.8 million for the year ended December 31, 2013 as compared to €55.7 million for the year ended December 31, 2012. Excluding FX, our administrative expenses increased €12.3 million, or 22.0%. The increase in administrative expenses is principally due to a €9.3 million increase in exceptional costs due primarily to costs related to the R&R Acquisition, resulting in an incremental administrative expense of €4.2 million, administrative costs associated with the closure of our Carcassonne, Crossgates and Durigon facilities in the amount of €3.6 million and a €0.5 million increase in acquisition costs. In addition, €2.1 million and €1.7 million of incremental administrative expenses related to the Fredericks acquisition and Eskigel acquisition, respectively.

*Finance Expenses*

Net finance expenses increased €5.5 million or 9.5% to €62.9 million for the year ended December 31, 2013 as compared to €57.5 million for the year ended December 31, 2012. Excluding FX, our net finance expenses increased €5.8 million, or 10.2%. This increase reflects compounding interest in the amount of €2.3 million with respect to our subordinated shareholder loans and an increase of a €2.1 million in net foreign exchange losses.

*Income Tax Charge/Credit*

Income tax charge decreased €7.5 million to a €6.6 million credit for the year ended December 31, 2013 as compared to a €0.9 million charge for the year ended December 31, 2012. Excluding FX, our income tax charge decreased €7.4 million. This decrease was principally due to a reduction in profitability across the Group, principally driven by increased loss before tax of €30.4 million, which generated a decrease in income tax charge of €6.9 million at prevailing tax rates.

*Adjusted EBITDA*

Adjusted EBITDA increased €7.6 million or 9.0% to €92.0 million for the year ended December 31, 2013 as compared to €84.4 million for the year ended December 31, 2012. Excluding FX, our Adjusted EBITDA increased €9.4 million, or 11.2%. €6.4 million of this increase was attributable to the full year impact of Eskigel in 2013 compared to only six months in 2012. In addition, €3.0 million of incremental Adjusted EBITDA was generated in the six months following the acquisition of Fredericks in July 2013.

***Year Ended December 31, 2012 Compared to Year Ended December 31, 2011***

The table below presents consolidated statement of income data, including the amount and percentage changes for the periods indicated:

| *(in thousands of euros)* | Year Ended December 31, 2011 | Year Ended December 31, 2012 | Amount of Change | Percent Change | Change Percent Excluding FX |
|---|---|---|---|---|---|
| **Consolidated Statement of Income Information:** | | | | | |
| Revenue | 501,028 | 600,206 | 99,178 | 19.8% | 17.2% |
| Cost of sales | (396,082) | (466,002) | (69,920) | (17.7) | (15.2) |
| Gross profit | 104,946 | 134,204 | 29,258 | 27.9 | 24.5 |
| Distribution expenses | (32,168) | (38,833) | (6,665) | (20.7) | (18.1) |
| Administrative expenses | (42,967) | (55,739) | (12,772) | (29.7) | (27.0) |
| Results from operating activities | 29,811 | 39,632 | 9,821 | 32.9 | 27.6 |
| Finance income | 1,335 | 2,030 | 695 | 52.0 | 51.8 |
| Finance expenses | (58,415) | (59,495) | (1,080) | (1.8) | (0.9) |
| Share of loss of equity-accounted | (51) | (206) | (155) | (303.9) | (275.0) |
| Loss before tax | (27,320) | (18,039) | 9,281 | 34.0 | 30.2 |
| Income tax (charge)/credit | 2,233 | (870) | (3,103) | (139.0) | (131.6) |
| Loss for the year | (25,087) | (18,909) | 6,178 | 24.6% | 21.2% |
| **Other Financial Information:** | | | | | |
| Adjusted EBITDA | 66,186 | 84,357 | 18,171 | 27.5% | 23.7% |

*Revenue*

Revenue increased €99.2 million or 19.8% to €600.2 million for the year ended December 31, 2012 as compared to €501.0 million for the year ended December 31, 2011. Excluding FX, our revenue increased €86.0 million, or 17.2%. This increase was principally attributable to Eskigel's sales following its acquisition, which contributed an incremental €43.1 million to our revenues, and the launch of Mondelēz-branded products in Germany and France which achieved €11.8 million of sales. Our 2012 revenue also includes a full year of Pilpa's and Durigon's sales, compared to four months and zero months, respectively, included in our 2011 revenue. The incremental revenues contributed in 2012 by the Pilpa and Durigon acquisitions is difficult to estimate due to the volume of production we have transferred between sites following these acquisitions in order to take advantage of available capacity and specialist capabilities. However, we estimate that revenues generated by operations held by us for the full years of 2011 and 2012 increased both on an actual basis and excluding FX, primarily due to the early success of the Mondelēz-branded products. We have achieved this growth despite challenging market conditions and extremely poor weather conditions in the United Kingdom.

*Cost of Sales*

Cost of sales increased €69.9 million or 17.7% to €466.0 million for the year ended December 31, 2012 as compared to €396.1 million for the year ended December 31, 2011. Excluding FX, our cost of sales increased €60.3 million, or 15.2%. The increase in cost of sales is principally attributable to incremental costs resulting from Eskigel, which contributed an incremental €34.4 million to our costs of sales in 2012. Further, our cost of sales for 2012 also includes a full year of Pilpa's cost of sales and a full year of Durigon's cost of sales, compared to four months of Pilpa's cost of sales and zero months of Durigon's cost of sales included in our 2011 cost of sales. Due to the volume of production we have transferred between sites following these acquisitions in order to take advantage of available capacity and specialist capabilities, we are not able to calculate accurately the effects of these acquisitions on our cost of sales.

*Distribution Expenses*

Distribution expenses increased €6.7 million or 20.7% to €38.8 million for the year ended December 31, 2012 as compared to €32.2 million for the year ended December 31, 2011. Excluding FX, our distribution expenses increased €5.8 million, or 18.1%. The increase is principally attributable to the mid-year acquisition of Eskigel which has contributed an incremental €3.2 million to our distribution expenses in 2012. Further, our

distribution expenses for 2012 also include a full year of Pilpa's distribution expenses and a full year of Durigon's distribution expenses, compared to four months of Pilpa's distribution expenses and zero months of Durigon's distribution expenses included in our 2011 distribution expenses. Despite rising fuel costs, we have managed to maintain tight control of these costs with year-on-year distribution expenses expressed as a percentage of sales remaining stable at 6.5%, compared to 6.4% in 2011.

*Administrative Expenses*

Administrative expenses increased €12.8 million or 29.7% to €55.7 million for the year ended December 31, 2012 as compared to €42.9 million for the year ended December 31, 2011. Excluding FX, our administrative expenses increased €11.6 million, or 27.0%. The increase in administrative expenses is principally due to a €3.4 million increase in exceptional costs due primarily to costs associated with exploring our strategic options, a €1.4 million increase in the amortisation charge as a result of our recent acquisitions, and the incremental overhead resulting from such acquisitions, including €2.1 million by the Pilpa acquisition, €1.5 million by the Eskigel acquisition and €0.5 million by the Durigon acquisition.

*Finance Expenses*

Net finance expenses increased €0.4 million or 0.7% to €57.5 million for the year ended December 31, 2012 as compared to €57.1 million for the year ended December 31, 2011. Excluding FX, our net finance expenses increased €0.3 million, or 0.5%. This increase reflects the effect of the compounding of €1.6 million of subordinated shareholder loans, €1.1 million of increased interest on bank loans and overdrafts, net of a €2.2 million increase in net foreign exchange gains.

*Income Tax Charge/Credit*

Income tax charge increased €3.1 million to a €0.9 million charge for the year ended December 31, 2012 as compared to a €2.2 million credit for the year ended December 31, 2011. Excluding FX, our income tax charge increased €2.9 million. This increase was principally due to an improvement in profitability across the Group, principally driven by decreased loss before tax of €9.3 million, which generated an increase in income tax charge of €2.8 million.

*Adjusted EBITDA*

Adjusted EBITDA increased €18.2 million or 27.5% to €84.4 million for the year ended December 31, 2012 as compared to €66.2 million for the year ended December 31, 2011. Excluding FX, our Adjusted EBITDA increased €15.7 million, or 23.7%. This increase is attributable to a €5.5 million contribution by Eskigel of incremental Adjusted EBITDA generated in the five months of our ownership of the company in 2012, additional sales resulting from our 2011 acquisitions and the organic sales growth of our existing businesses.

***Peters Three Months Ended March 31, 2014 Compared to the Three Months Ended March 31, 2013***

*Revenue*

Consolidated revenue increased AUD 3.2 million or 4.5% to AUD 74.5 million for the three months ended March 31, 2014 as compared to AUD 71.3 million for the three months ended March 31, 2013. This increase was driven by organic sales growth in core premium brands such as Connoisseur, Drumstick and Maxibon, which have been supported by continued investment in marketing and promotional activity. In addition, the successful launch of new products aimed at increasing market share in new and under-represented product segments also contributed to revenue growth. These products include Connoisseur sticks (July 2013), Zombies (September 2013), Aldi Silver Scoop (February 2014) and Connoisseur Minis (March 2014).

*Gross Profit*

Gross profit increased by 5% for the three months ended March 31, 2014 as compared to the three months ended March 31, 2013. This increase is attributable to a continued strategic focus on driving production efficiencies and procurement savings, higher sales, an increase in sales of premium brands, and lower royalty costs due to the introduction of owned brand products.

***Peters Twelve Months Ended March 31, 2014***

Revenue growth over the twelve months ended March 31, 2014 has been underpinned by the successful implementation of strategies to develop innovative new products to further penetrate existing product segments and to target new product segments in which we have been under-represented. The successful launch of Connoisseur sticks (July 2013), Zombies (September 2013), Aldi Silver Scoop (February 2014) and Connoisseur minis (February 2014) has contributed significantly to sales growth during this period. In addition, increased

marketing and promotional focus and investment in our key premium growth brands including Drumstick, Connoisseur and Maxibon has resulted in strong sales growth during the period.

Dairy prices have also increased to record highs in Australia over the last twelve months. Being a key input into the production process, the increased cost of dairy has largely offset the benefits achieved through programs implemented by management to target and successfully achieve production efficiencies and procurement savings. Consequently, Peters has seen a slight reduction in gross margin percentages over the last twelve months.

Peters operating cost base has improved over the last twelve months as a result of several cost saving initiatives implemented across the business. Therefore, Peters is able to leverage its fixed cost base and achieve strong incremental returns as revenue increases.

**Cash Flows**

***Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013***

The table below summarizes R&R's primary sources of cash in the period presented:

| *(in thousands of euros)* | Three Months Ended March 31, 2013 | Three Months Ended March 31, 2014 | Increase (Decrease) to Net Cash Flow Amount |
|---|---|---|---|
| **Cash generated by/(used in):** | | | |
| Operating activities | (21,435) | (20,740) | 695 |
| Investing activities | (10,570) | (4,844) | 5,726 |
| Financing activities | (588) | (199) | 389 |
| **Total** | (32,593) | (25,783) | 6,810 |
| Free cash flow before acquisitions | (26,689) | (25,584) | 1,105 |

**Operating Activities**

Cash used in operating activities decreased €0.7 million or 3.2% to an outflow of €20.7 million for the three months ended March 31, 2014 as compared to an outflow of €21.4 million for the three months ended March 31, 2013. This decrease is primarily attributable to improved EBITDA of €3.0 million, improved creditor inflows of €4.8 million and adverse cash outflows in respect of trade receivables (€7.5 million).

**Investing Activities**

Cash used in investing activities decreased €5.7 million or 54.2% to an outflow of €4.8 million for the three months ended March 31, 2014 as compared to an outflow of €10.6 million for the three months ended March 31, 2013. This decrease is principally attributable to the acquisition cost of Yoomoo in 2013, which was €5.3 million.

**Financing Activities**

Cash used in financing activities decreased by €0.4 million to €0.2 million for the three months ended March 31, 2014 as compared to €0.6 million for the three months ended March 31, 2013. This decrease was attributable to reduced repayments of capital on finance leases.

**Free cash flow before acquisitions**

Free cash flow before acquisitions outflow decreased by €1.1 million or 4.1% to €25.6 million for the three months ended March 31, 2014 as compared to €26.7 million for the three months ended March 31, 2013. This is largely consistent year-on-year despite the incremental impact of the Fredericks business in 2014.

***Year Ended December 31, 2013 Compared to Year Ended December 31, 2012***

The table below summarizes our primary sources of cash in the period presented:

| *(in thousands of euros)* | Year Ended December 31, 2012 | Year Ended December 31, 2013 | Increase (Decrease) to Net Cash Flow Amount |
|---|---|---|---|
| **Cash generated by/(used in):** | | | |
| Operating activities | 69,633 | 76,700 | 7,067 |
| Investing activities | (97,921) | (80,947) | 16,974 |
| Financing activities | (2,823) | (29,963) | (27,140) |
| **Total** | (31,111) | (34,210) | (3,099) |
| Free cash flow before acquisitions | 48,949 | 55,665 | 6,716 |

**Operating Activities**

Cash generated by operating activities increased €7.1 million or 10.1% to an inflow of €76.7 million for the year ended December 31, 2013 as compared to an inflow of €69.6 million for the year ended December 31, 2012. This increase was principally driven by the €7.6 million increase in Adjusted EBITDA during the year ended December 31, 2013 and the unwinding of Fredericks working capital balances following the Fredericks acquisition in July 2013, and an increase in loans from parent undertakings, which were offset by an increase in cash exceptional items expensed and the unwinding of Eskigel's working capital balances following its acquisition in July 2012.

**Investing Activities**

Cash used in investing activities decreased €17.0 million or 17.3% to an outflow of €80.9 million for the year ended December 31, 2013 as compared to an outflow of €97.9 million for the year ended December 31, 2012. This decrease is principally attributable to the incremental acquisition cost of Fredericks and Yoomoo in 2013, which was €17.3 million less than the acquisition cost of Eskigel in 2012.

**Financing Activities**

Cash used in financing activities increased by €27.1 million to €30.0 million for the year ended December 31, 2013 as compared to €2.8 million for the year ended December 31, 2012. This increase was primarily attributable to an €8.0 million acquisition cost with respect to the acquisition of non-controlling interests in Eskigel and a €6.0 million repayment of related party debt in Eskigel. In addition, in the year ended December 31, 2012, we received a €6.0 million receipt from related parties, cash used to repay the Existing Factoring Facilities increased by €2.3 million and €4.1 million was incurred in connection with certain transactions.

**Free cash flow before acquisitions**

Free cash flow before acquisitions inflow increased by €6.7 million or 14% to €55.7 million for the year ended December 31, 2013 as compared to €48.9 million for the year ended December 31, 2012. This is despite cash out flows in relation to exceptional items which increased by €17.0 million during the year ended December 31, 2013. Fredericks, which we acquired in July 2013, near our peak working capital period, generated €9.1 million of post-acquisition free cash flow in 2013 and Eskigel, which we acquired in July of 2012, also near our peak working capital period, contributed €17.2 million of post-acquisition free cash flow in 2012. Shareholder funding from new intermediate parent companies account for the majority of the remaining increase from 2012 to 2013.

***Year Ended December 31, 2012 Compared to Year Ended December 31, 2011***

The following summarises our primary sources of cash in the periods presented:

| *(in thousands of euros)* | Year Ended December 31, 2011 | Year Ended December 31, 2012 | Increase (Decrease) to Net Cash Flow Amount |
|---|---|---|---|
| **Cash generated by/(used in):** | | | |
| Operating activities | 26,620 | 69,633 | 43,013 |
| Investing activities | (55,373) | (97,921) | (42,548) |
| Financing activities | (7,470) | (2,823) | 4,647 |
| **Total** | (36,223) | (31,111) | 5,112 |
| Free cash flow before acquisitions | 10,013 | 48,949 | 38,936 |

**Operating Activities**

Cash generated by operating activities increased €43.0 million or 161.6% to an inflow of €69.6 million for the year ended December 31, 2012 as compared to an inflow of €26.6 million for the year ended December 31, 2011. This increase was principally driven by an €18.2 million increase in Adjusted EBITDA, the unwinding of Eskigel's working capital balances following its acquisition and the impact of our factoring financing which has resulted in a quicker payment for receivables in 2012.

**Investing Activities**

Cash used in investing activities increased €42.5 million or 76.8% to an outflow of €97.9 million for the year ended December 31, 2012 as compared to an outflow of €55.4 million for the year ended December 31, 2011. This increase is principally attributable to the incremental acquisition cost of Eskigel in 2012, which was €38.5 million more than the acquisition costs of Durigon and Pilpa in 2011, and €4.8 million of incremental capital expenditure in 2012, most of which relates to the timing of payment for capital expenditure made at the end of 2011.

**Financing Activities**

Cash used in financing activities decreased by €4.6 million to €2.8 million for the year ended December 31, 2012 as compared to €7.5 million for the year ended December 31, 2011. This decrease was primarily attributable to a €5.3 million PIK repayment made by us in 2011, with no corresponding payment made in 2012.

**Free cash flow before acquisitions**

Free cash flow before acquisitions inflow increased by €38.9 million to €48.9 million for the year ended December 31, 2012 as compared to €10.0 million for the year ended December 31, 2011. The increase was driven principally by an €18.2 million increase in Adjusted EBITDA, the unwinding of Eskigel's working capital balances following its acquisition (which had an impact of €17.2 million), the €8.4 million impact of our new factoring financing which has resulted in quicker payment for receivable inflow of debtors in 2012, net of €4.8 million of incremental capital expenditure in 2012.

**Capital Expenditure**

We continually undertake capital expenditure projects in order to increase our production capacity, facilitate innovation and consolidate production. Many of our recent capital expenditure programs have been made to either bring newly acquired plants and operations up to the standards of our existing operations, or to develop existing factories as a result of consolidating our production processes following plant closures.

Capital expenditure in the United Kingdom in the past three years has focused on developing the Leeming Bar site to improve operational efficiencies and to enable the consolidation of production following the closure of the Crossgates factory in Leeds, in October 2013. Developments at the Leeming Bar site have included the construction of an effluent treatment plant, installation of a Combined Heat and Power plant and the erection of a new warehouse along with the purchases of plant and fixtures.

In Germany, we have focused our capital expenditure on a new sandwich production line, a fruit (ripple) plant, the modification of our existing lines to accommodate specialist Mondelēz-branded products, and a

complete upgrade of our IT system in Osnabruck.

In France, our recent capital expenditure programs have focused on developing our factories in Plouédern, Brittany and Vayres, Bordeaux to help consolidate the production processes following the closure of the Carcassone plant in July 2013. As well as consolidating production, we have also undertaken capital expenditure programmes in France to improve operational efficiencies by reallocating production lines between factories to focus the production capabilities of Plouédern and Vayres. We have also rolled out the SAP IT platform in all of our sites and developed existing production lines to accommodate the production of specialist Mondelēz-branded products.

We closed our Carcassonne plant in France in July 2013, Crossgates plant in Leeds, United Kingdom in early October 2013 and our Durigon plant in Schwanewede, Germany at the end of December 2013, resulting in modest cost savings and improved efficiency at our remaining plants in these countries in the year ended December 31, 2013, in the year ending December 31, 2014, we expect to recognise more significant cost savings as described in footnote footnote 2 of the table entitled "Other Financial and Pro Forma Information for R&R Ice Cream" in "Summary Historical Consolidated Financial and Other Information". In addition, we sold our Carcassonne plant in March 2014 for €1.7 million.

In Poland, we completed a major expansion of the factory in Mielec, which included investment in a dairy and ammonia plant and a new tunnel; and we continue to make capital investment in respect of freezers and cabinets to support the growth of our Zielona Budka brand and help develop the Mondelēz brand in the Polish market. As a result of our success in Poland, we may use our Polish operations as a platform to expand in Central and Eastern Europe.

Following the acquisition of Eskigel in 2012, we commenced a major expansion project to bring additional capacity to our factory in Terni, Italy, including a new water ice line, a tub line and a spiral freezer.

During the year ended December 31, 2013, our net capital expenditure was €21.0 million, primarily related to the expansion of our Leeming Bar and Mielec operations. For 2014, we expect our net capital expenditure to be in line with our recent historical, annual net capital expenditures.

Capital expenditure requirements associated with the Peters business in Australia are driven primarily by the ongoing freezer renewal and replacement cycle, which accounts for approximately AUD 4 million in capital expenditure each year out of a total annual spend of between AUD 7 million and AUD 8 million. Maintenance capital is also required annually for factory equipment (approximately AUD 2 million) in order to replace ageing equipment and to support new product development and launches. The balance of our capital expenditure is required to replace our refrigerated delivery vans and for the ongoing development of new IT systems.

**Liquidity Arrangements**

Our principal uses of cash have been to finance working capital, capital expenditure, debt service and acquisitions. Our principal sources of liquidity have historically been net cash provided by operating activities and borrowings under revolving credit facilities and factoring facilities and unsecured subordinated loans from our parent entities. We anticipate that we will continue to use cash provided by operating activities and borrowings under the Revolving Credit Facility and factoring facilities to finance our operations, and that this will allow us to meet our needs with respect to investment activities, manage our working capital and repay debt on its scheduled maturity dates.

**Credit Facilities and Other Indebtedness**

***Revolving Facility Agreement***

The Issuer, the Existing Notes Guarantors, the other companies named therein, Barclays Bank PLC, Credit Suisse International and HSBC Bank plc, as mandated lead arrangers, the financial institutions named therein, as original lenders, Barclays Bank PLC, as agent and security trustee, and Barclays Bank PLC and HSBC Bank plc, as issuing banks, have entered into the Revolving Facility Agreement. Our Revolving Credit Facility provides for borrowings up to an aggregate of €60.0 million on a committed basis but will allow for borrowings of a further €15.0 million on an uncommitted basis. Of the €60.0 million currently committed, €15.0 million is committed as ancillary facilities, €13.9 million in the form of overdrafts and the remaining €1.1 million in the form of corporate credit cards and guarantee facilities. Loans may be borrowed, repaid and reborrowed at any time. Borrowings under the Revolving Credit Facility accrue interest at EURIBOR, LIBOR or WIBOR plus a margin ranging from 3.50% per annum to 3.00% per annum, depending on the ratio of net debt to EBITDA. Under its current terms, the Revolving Credit Facility will mature on March 15, 2020. See "Description of Other Financing Arrangements—Revolving Credit Facility".

***Existing Senior Secured Notes***

On May 14, 2014, the Issuer issued £315.0 million in aggregate principal amount of its Existing Senior Secured Notes, the proceeds of which were used to repurchase and redeem all outstanding Repaid 2010 Notes and to pay costs, fees and expenses incurred in connection with the redemption of the Repaid 2010 Notes and the amendments to the Revolving Credit Facility Agreement and Intercreditor Agreement. We will pay interest on the Existing Senior Secured Notes semi-annually on each May 15 and November 15 in cash at an annual interest rate of 5.5%.

***Subordinated Shareholder Funding Instrument***

On October 25, 2010, in connection with the novation of our existing shareholder funding instruments to a parent entity, the Issuer entered into a subordinated shareholder funding instrument with its direct parent. The subordinated shareholder funding instrument bears interest at a fixed rate payable to the extent, among other things, of the Issuer's interest income, dividends and capital gains received by the Issuer from its investments. The interest is payable in cash at our option (but if interest is not paid, it is accrued and carried forward). The subordinated shareholder funding instrument will mature in November 2110, and no mandatory put or call rights or mandatory redemption features are applicable prior to maturity. Obligations under the subordinated shareholder funding instrument are subordinated to all other debt obligations of the Issuer. If the Issuer cannot make the required payment upon maturity, or if the instrument cannot be redeemed at par, the maturity date will extend until payment or redemption at par can be achieved without breaching the applicable payment or redemption restrictions and conditions. As of March 31, 2014, we had €343.5 million in aggregate principal amount and accrued interest outstanding under the subordinated shareholder funding instrument.

***Existing Factoring Facilities***

Rolland entered into a €30.0 million (for the period April to September) and €15.0 million (for the period October to March) non-recourse invoice discounting agreement with HSBC Factoring (France) SA on May 4, 2012 (the "French Factoring Agreement"). HSBC Factoring (France) SA may terminate the agreement in the event of a change of control of Rolland, including an indirect change of control of our Group. The French Factoring Agreement expires on April 26, 2015 and will be renewed automatically on the same terms for another two years unless either party gives three months' prior written notice to terminate prior to renewal. The minimum service fee over the two year contract is €324,800. To the extent that the accrued service fees for the relevant two year period of early termination falls below the minimum service fee, R&R France would be obliged to pay the balance.

On March 30, 2012, R&R Ice Cream UK Limited entered into a non-recourse receivables financing agreement with Barclays Bank plc (the "U.K. Factoring Agreement") with a facility limit of up to £27.5 million (the "U.K. Facility Limit"). A temporary increase of this facility to £35.5 million has been secured from May 1, 2014 to July 31, 2014. The facility expires on May 31, 2015 and may be terminated early by R&R Ice Cream UK Limited on six months' written notice. Each year, we typically agree with Barclays to extend the term of the facility for an additional year. We are currently in the process of extending this facility for another year to May 31, 2016.

On February 4, 2013, R&R Ice Cream Deutschland GmbH entered into a non-recourse factoring agreement with HSBC Trinkaus & Burkhardt AG (the "German Factoring Agreement") with a facility limit of up to €25.0 million (for the period from April to September) and €15.0 million (for the period from October to March). The facility is for a minimum term of two years and, thereafter, the facility may be terminated early by R&R Ice Cream Deutschland GmbH or HSBC Trinkaus & Burkhardt AG on three months' prior notice. No fees apply if the German Factoring Agreement is terminated early by either party. However, the German Factoring Agreement provides for a service fee of 0.13% of the gross amount of the sold receivables, with a minimum annual service fee of €150,000. To the extent that the accrued service fees for the relevant year of early termination fall below the minimum service fee, R&R Ice Cream Deutschland GmbH would be obliged to pay the balance.

See "Description of Other Financing Arrangements—Existing Factoring Facilities".

***Peters' Finance Leases***

Peters had AUD 20.9 million of debt outstanding as of March 31, 2014 in connection with a finance lease relating to Peters' Mulgrave plant, which we expect will remain outstanding upon completion of the Peters Acquisition.

Australasian Food Group Pty Ltd is a party to a "development lease" dated 24 January 2014 with The Trust Company (Australia) Limited as trustee for the CLP Mulgrave Trust (the "Landlord"). Pursuant to the terms of

the lease, the Landlord is required to design and construct a new office building at 254-294 Wellington Road, Mulgrave in Victoria ("Mulgrave Site") for Peters. Upon completion of construction of the new office building ("Mulgrave Office Premises"), Peters is required to take a lease of the whole of the premises for a term which will expire on 23 January 2034. The rent payable in the first year of the lease will be the greater of 10% of all costs and expenses incurred by the Landlord in the design and construction of the base building of the Mulgrave Office Premises and approximately AUD 800,000. The annual rent will increase by 3.5% on 24 January of each year of the lease term. This lease is treated as a finance lease for accounting purposes and is reflected on the balance sheet of Peters as a finance lease liability of AUD 20.9 million as of March 31, 2014.

See "Description of Other Financing Arrangements—Peters' Finance Leases".

***Contractual Obligations and Commercial Commitments***

The following table represents the principal payments associated with our debt and other contractual obligations as of March 31, 2013, after giving pro forma effect to the Peters Acquisition, the issuance of the Existing Senior Secured Notes and application of the proceeds therefrom, including the repayment in full of the Repaid 2010 Notes and the issuance of the Notes. The actual amount that we may be required to repay on our Revolving Credit Facility may be different, including as a result of additional borrowings under that facility. Except with respect to the Existing Senior Secured Notes and the Notes, amounts shown in the table below that represent obligations and commitments not denominated in euro have been presented based on their euro equivalent, based on the exchange rates prevailing on March 31, 2013.

| | Payments Due By Period | | | |
|---|---|---|---|---|
| *(in thousands of euros)* | Less than 1 Year | 1-5 Years | More than 5 Years | Total |
| Long term cash pay debt obligations[1] | 732 | 829 | — | 1,561 |
| Existing Senior Secured Notes[2] | — | — | 381,434 | 381,434 |
| Notes offered hereby[3] | — | — | 255,000 | 255,000 |
| Finance lease obligations[4] | 1,426 | 3,955 | 11,826 | 17,207 |
| Operating lease obligations[5] | 969 | 737 | 154 | 1,860 |
| Purchase commitments[6] | 4,510 | — | — | 4,510 |
| Total | 7,637 | 5,521 | 643,414 | 661,572 |

(1) Represents €1.4 million repayable for the Lombard loan at Fredericks and €0.1 million of bank loans. The Revolving Credit Facility provides for aggregate borrowings of €60.0 million, all of which was available for borrowing as of December 31, 2013. The Revolving Credit Facility allows for a further €15.0 million of borrowings on an uncommitted basis. As of May 31, 2014, we had €27.0 million of borrowings drawn under the Revolving Credit Facility and we expect to repay approximately €7 million on or prior to the Issue Date, resulting in approximately €20 million in total borrowings and approximately €40 million in undrawn capacity under our Revolving Credit Facility. See "Description of Other Financing Arrangements—Revolving Credit Facility".

(2) Represents the issuance of the Existing Senior Secured Notes as converted into euro at an exchange rate of 1.2183 euros to 1.00 British Pound, which was the foreign exchange rate at the close of trading on March 31, 2014. This exchange rate may differ from the exchange rate in effect as of May 14, 2014, which was the issue date of the Existing Senior Secured Notes.

(3) Represents €255.0 million (equivalent) Notes offered hereby.

(4) Consists of (i) payments under our finance leases for various property, plant and equipment and (ii) AUD 20.9 million of debt outstanding as of March 31, 2014 in connection with a finance lease relating to Peters' Mulgrave plant as converted into euro at an exchange rate of 0.6730 euros to AUD 1.00, which was the foreign exchange rate at the close of trading on March 31, 2014. For further details regarding R&R Ice Cream plc's finance lease obligations, see note 22 to our audited financial statements for the year ended December 31, 2013 included elsewhere in this Offering Memorandum.

(5) Represents payments under our operating leases for various property and equipment but does not give pro forma effect to the Peters Acquisition. For further detail, see note 27 to our audited financial statements for the year ended December 31, 2013 included elsewhere in this Offering Memorandum.

(6) Consists of obligations to purchase goods or services, primarily fixed assets, which are enforceable and legally binding on us. Excludes purchase orders made in the ordinary course of business that are short-term or cancellable and does not give pro forma effect to the Peters Acquisition.

## Off Balance Sheet Arrangements

As of March 31, 2014 we did not have any material off balance sheet obligations other than those operating lease and purchase obligations identified above.

## Inflation

We believe inflation has not had a material effect on our financial condition or results of operations in recent

years. However, there can be no assurance that we will not be affected by inflation in the future.

**Critical Accounting Policies and Estimates**

Our discussion and analysis of results of operations and financial condition are based upon our audited financial statements. These audited financial statements have been prepared in accordance with IFRS as applied in the European Union. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in those financial statements. On an ongoing basis, we evaluate estimates. We base our estimates on historical experiences and assumptions believed to be reasonable under the circumstances. Those estimates form the basis for our judgments that affect the amounts reported in the financial statements. Actual results could differ from our estimates under different assumptions or conditions.

Estimates are in particular required in the following cases:

- the determination of the necessity and measurement of impairment losses on intangible assets, items of property, plant and equipment and inventories;
- the outstanding liability owed, at the balance sheet date, in respect of volume pricing rebates owed to customers;
- the assessment of potential deferred tax assets; and
- the recognition and measurement of pension obligations and anniversary bonuses.

Our significant accounting policies, which may be affected by our estimates and assumptions, are described in the Accounting Policies section of our consolidated financial statements for the year ended December 31, 2013.

***Determination of Fair Values***

A number of the Group's 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 following methods. The fair value of property, plant and equipment recognised 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 could 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 plant and equipment is based on the quoted market prices for similar items or depreciated replacement cost where quoted market prices are not available.

The fair value of intangible assets is calculated using methods which reflect the value that the Group would have paid for the assets in an arm's length transaction. Such methods include where appropriate, discounting estimated future net cash flows from the asset and applying multiples to royalty streams that could be obtained by licensing the intangible asset.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

The fair value of trade and other receivables is estimated as the present value of the amounts to be received, determined at appropriate interest rates less allowance for bad debts. Discounting has not been applied to current receivables.

The fair value of interest rate and foreign exchange derivatives is the estimated amount that the Group would receive or pay to terminate the derivative at the balance sheet date, taking into account current interest rates and the current creditworthiness of the derivative counterparties.

The fair value of trade and other payables is estimated as the present value of the amounts to be paid, determined at appropriate interest rates. Discounting has not been applied to current payables.

***Qualitative and Quantitative Disclosures About Market Risk***

Our operations are exposed to market risks primarily as a result of changes in prices of our raw materials and changes in interest and foreign currency exchange rates. Following the Offering and the Peters Acquisition, we will have euro denominated debt in the form of the Notes and will earn revenues in Australian dollars. Derivatives that we use are primarily foreign currency forward contracts and interest rate swaps. Our derivative activities are subject to the management, direction, and control of our senior financial officers. Risk management practices, including the use of financial derivative instruments, are presented to the board of directors of the Issuer at least annually.

We perform a sensitivity analysis to determine the effects that market risk exposures may have on our debt and other financial instruments. Information provided by the sensitivity analysis does not necessarily represent the actual changes in fair value that would be incurred under normal market conditions because, due to practical limitations, all variables other than the specific market risk factor are held constant.

***Commodity Risk***

We require substantial amounts of raw materials in our operations, including cream, milk, whey protein, sugar, glucose, cocoa, butter, coconut oil and palm oil. The key inputs for Peters will also include dairy and sugar. We are exposed to commodity price and supply risks with respect to these raw materials. The costs of packaging accounted for 20.1% of our cost of sales in 2013. In addition, we are exposed to fluctuations in the price of energy (primarily electricity and natural gas), the cost of freight, which is impacted by fluctuations in the price of oil, and the cost of other components that we use in our manufacturing process, such as plastic which is impacted by a number of commodity prices and fluctuations of the U.S. dollar, and with respect to Peters, resin, which is also impacted by fluctuations in the price of crude oil. For a discussion of changes in raw material costs and their impact on selling prices, see "—Factors Affecting our Business". To the extent we are not able to leverage our purchasing power in the future as successfully as we have in the past, we may not be able to increase the selling price of our products to reflect increases in the costs of raw materials, or if we experience any interruptions or shortages in the supply of raw materials, our operating margins could be adversely affected. We seek to mitigate the effects of increased costs by entering into fixed price contracts and by implementing increases in our prices when possible. Although Peters is able to enter into fixed price contracts for some dairy products and certain other products, Peters is not able to hedge against all dairy price risks, other than fixing price and volume over a contracted period.

We manage supply risks by consolidating our purchases among a select group of suppliers and through provisions in sales agreements that allow for certain increases in raw material costs to be passed through to our customers. However, an interruption in the ability of these suppliers to provide raw materials could have a material adverse effect on our financial position, results of operations and cash flows. The availability and price of raw materials may also be subject to shortages in supply, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates, global demand and worldwide price levels.

***Credit Risk***

Our management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At March 31, 2013, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives on the balance sheet.

***Interest Rate Risk***

The majority of our debt obligations bear interest at a fixed rate. Consequently, we have no significant exposure to interest rates. We use short-term borrowings to fund our business through peak periods of working capital needs. We borrow such loans at floating interest rates. Our exposure to interest rates resulting from such borrowings is not significant. Our short-term receivables and payables are not exposed to interest rate risk. Our cash at bank earns interest at floating rates based on market rates.

***Foreign Currency Risk***

We are exposed to foreign currency risk on our sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of our entities. The currencies giving rise to these risks are primarily the British Pound and the Polish Zloty.

These risks primarily affect our subsidiaries in the United Kingdom that have euro-denominated debt. To the extent that the British Pound to euro exchange rate fluctuates, the relevant companies will require more or less British Pounds to meet their euro interest and capital obligations.

As of December 31, 2013, we had €68.7 million of euro-denominated debt being serviced by entities with the British Pound as their functional currency, compared to €68.7 million in 2012. We do not believe that the remaining balance presents a material risk. However, in connection with the Offering, we will incur Australian dollar indebtedness and our functional currency is euro. Our management has adopted a strategy to monitor this risk on an annual basis.

Our United Kingdom business typically also uses contracts to mitigate foreign currency exposure on trading.

As of December 31, 2012, there were no such contracts outstanding, while as of December 31, 2013, 95% of our 2014 euro requirements were hedged. We believe that our foreign exchange exposure in this regard does not present a material risk. The net fair value of these contracts as of December 31, 2013 was a liability of €0.4 million.

An increase or decrease of 10% in the British Pound to euro exchange rate, with all other variables held constant, would have resulted in a €1.5 million movement in our annual results for the year ended December 31, 2013 and a €15.2 million movement in our equity as of March 31, 2014.

***Capital Management***

One of our objectives is to safeguard our ability to continue as a going concern providing returns to shareholders, through the optimisation of our debt and equity balance, and to maintain a strong credit rating and headroom. We manage our capital structure and make appropriate decisions in light of the current economic conditions and strategic objectives of our Group.

Our capital comprises equity and long-term debt. Our equity comprises fully paid up ordinary shares and our long-term debt comprises subordinated shareholder loans, the Existing Senior Secured Notes and finance leases. Intra-year funding requirements are managed through cash, the Revolving Credit Facility and factoring facilities.

Our policy is to budget sufficient headroom in order to maintain compliance with the covenants set out in the Revolving Facility Agreement such that any unforeseen circumstances are unlikely to result in a breach of those covenants. Throughout 2013, we have comfortably complied with this policy.

There has been no change in the objectives, policies or processes in respect of our capital management during the years ended December 31, 2013, 2012 and 2011. After completion of the Peters Acquisition, Peters will manage its day-to-day capital management monitoring, with our high level oversight.