Selecta Group B.V. and its subsidiaries, Amsterdam (The Netherlands)

Condensed consolidated interim financial statements for the 9 months ended 30 June 2015 (unaudited)

Table of Contents

Operating and financial review

Overview of the business

Selecta is the leading independent operator of vending machines in Europe by revenue, with operations in 21 countries across Europe and leading market shares in its key markets of Switzerland, Sweden and France. We operate a network of approximately 145'600 active snack and beverage vending machines on behalf of a broad and diverse client base. We offer a wide range of products in our vending machines, including hot and cold beverages and various snacks and confectionary items. Our clients include a large number of both private and public organizations. Our private vending services, which also include our office coffee services ("OCS"), are directed primarily at office environments but also include clients such as hospitals and universities. Our public vending machines are located in high traffic public locations, such as airports, train and subway stations and gas stations, where our longer term client contracts provide us with a steady stream of revenue. In addition to our public and private vending operations, we also generate revenue from trade sales of machines and products.

Our business model covers the full value chain of the vending services market. Our sales teams originate new contracts for the placement of vending machines on clients' premises, and we also bid for concessions pursuant to public tenders to place vending machines with public entities, such as airports and train and subway stations. We purchase vending machines for our clients, install them at their premises and manage the sourcing and stocking of the food and beverage vending products on behalf of our clients. We also provide cleaning, maintenance and technical support services, which can be customized based on individual client preferences. In addition to our vending and vending services operations, we also sell vending machines, vending machine parts and products separately and independent of vending service arrangements. We therefore generate revenue at each step of the vending services value chain, through a combination of fees from clients for providing, stocking and maintaining vending machines, through the products sold from our vending machines and from the sale of machines, ingredients and spare parts.

We operate our vending machine network primarily under the "Selecta" brand. We are the overall market leader by revenue in the European vending market, with an estimated market share of approximately 7% based on market size data from the European Vending Association for 2012 and our own estimates.

Presentation of financial information

The consolidated financial statements included in this report have been prepared in accordance with the International Financial Reporting Standards, as adopted by the International Accounting Standards Board ("IFRS").

In addition this report contains references to certain non IFRS measures and related ratios, including EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, third party debt, net debt, capital expenditures and free cash flow.

"EBITDA" represents earnings before interest, income tax, depreciation, amortization and impairment expense. "Adjusted EBITDA" represents earnings before interest, income tax, depreciation, amortization and impairment expense and one off items.

"EBITDA margin" is calculated as EBITDA divided by revenue whilst "Adjusted EBITDA margin" is calculated as Adjusted EBITDA divided by revenue.

"Overhead costs" represents as the sum of employee benefits expenses and other operating expenses.

"Net capital expenditure" represents the sum of additions to property, plant and equipment, and other intangible assets, less cash proceeds from disposals of property, plant and equipment and other intangible assets.

"Free cash flow" represents net cash generated from operating activities less net cash used in investing activities.

"Net debt" represents financial debt and finance leases less cash and cash equivalents at the end of period. Note that this is different to the IFRS definition of borrowings where the outstanding liabilities are reduced by the amount of the unamortised refinancing costs incurred.

All comparisons in this Operating and Financial Review are against the equivalent quarter for the prior year unless otherwise stated.

Operating review

Sales in the three months ended 30 June 2015 were 6.8% ahead of last year. Excluding translation impacts[1] from the appreciation of the Swiss Franc and the British Pound against the Euro and the weakening of the Swedish Krona against the Euro sales were 1.1% higher than last year, representing a return to growth in the quarter.

Sales growth at constant foreign currency[1] rates was driven by the installations of machines at new client sites in the year, with 1'800 more machines in place than at 30 September 2014, offset to some extent by negative same machine sales[2] which continue to run at an average of -3% across the Group.

Year to date sales are 3.2% ahead of last year, almost flat (-0.4% behind) on a constant foreign currency[1] basis. Net growth has been strong in the year, both through new gains delivered as a result of the Group's investment in the sales force as well as strong retention, which at 95.2% is the strongest the Group has seen in a number of years. The flat sales delivery against last year is due primarily to the fact that the strong net growth achieved in the year is offset by the continued weak same machine sales[2].

At 30 June 2015 the Group has 412 Starbucks on the go installations, of which 255 are installed in Business and Industry. In addition the Group has agreements for the installation of 474 further Starbucks on the go machines by 31 December 2015.

The expansion of the contract into semi-public areas has enabled the acceleration of the pace of rollout, in particular in petrol and convenience retail sectors. 103 Starbucks on the go machines have now been installed in petrol stations. 78 of these are at Eurogarages sites in the UK with approximately 157 further machines to be installed by 31 December 2015.

The Group's new machine generations are continuing to drive new business growth and provide sales uplift on reinvestments. Initial technical problems with the Ferrara table top coffee machine and the Mirante free standing coffee machine have now been resolved. Reliability of the new Move snack and cold drink machine for public vending has continued to improve but is still not at targeted levels. By 30 June 2015 263 Move machines had been installed at SNCF stations across France whilst 3 trial machines have been installed at SBB stations in Switzerland and 5 machines have been installed in Nice airport in France as part of the successful tender for the contract to provide vending services in the airport.

Adjusted EBITDA in the quarter was € 1.7 million, or 5.5%, higher than last year. At constant foreign currency[1] rates adjusted EBITDA was almost flat in the quarter (€ -0.3 million, or -1.0% below last year), representing a stabilisation in the trend (adjusted EBITDA for the six months ended 31 March 2015 was € -8.2 million, or -13.5%, behind last year at constant currency[1] rates). Adjusted EBITDA is lagging behind sales due largely to € 1.4 million additional cost of the sales force compared to prior year, in line with the Group's investment in sales.

YTD adjusted EBITDA is € 4.7 million, or 5.2%, behind last year. At constant foreign currency[1] rates YTD adjusted EBITDA is € -8.5 million, or -9.2%, behind last year driven by investment in the sales force (€ 3.7 million higher than last year) and costs incurred in relation to new machine rollouts (€ 2.0 million), the benefits of which are now starting to come through in Q3, as well as lower profit on sale of assets (€ 1.6 million lower than last year).

[1] Constant foreign currency rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78
[2] Same machine sales excludes the impact of reinvestments at existing client sites

Free cash flow in the year reflects the significant investment the Group has been making in capex to support top line growth. New contract gains are running 50% higher than last year, and the first signs of the impact are evident in the growth delivered in Q3. YTD free cash flow of € -16.4 million is € 46.2 million below last year (€ 29.8 million), or € 47.8 million below last year at constant foreign currency[1] rates.

Capex increased by € 25.5 million in the year, or € 23.8 million at constant foreign currency[1] rates. € 17.0 million of the increase represents investment in machines. Capex on new business increased by € 6.5 million reflecting the higher level of new client gains in the year and the increase in the machine park (1'800 additional machines are installed at client sites since 30 September 2014), whilst capex on existing business was € 10.5 million higher than last year driven by renewal of the SNCF and Esso estate in France and reinvestments in existing clients using the Group's new machine generations.

Cash flows from changes in working capital has decreased by € 16.8 million at constant foreign currency[1] rates, reflecting timing differences part of which are expected to reverse before year end. Inventories are € 2.5 million higher driven by new Mirantes and Ferraras in stock and associated spare parts holdings. Receivables are € 4.4 million higher than last year due to Starbucks trials and timing differences of quarterly invoices in region North. Payables and accruals are € 9.2 m lower than last year due to timing of supplier payments.

Financial review

Financial summary

	3 months ended			Year to date		
	June 15 €m	**June 14 €m**	**Change %**	**June 15 €m**	**June 14 €m**	**Change %**
Revenue	186.7	174.8	6.8%	540.4	523.8	3.2%
Materials and consumables used	(56.9)	(54.6)	4.2%	(168.2)	(164.2)	2.4%
Gross profit	129.8	120.2	8.0%	372.2	359.6	3.5%
% margin	*69.5%*	*68.8%*	*0.7 pts*	*68.9%*	*68.6%*	*0.3 pts*
Employee benefits expense	(59.3)	(54.8)	8.2%	(175.1)	(165.1)	6.1%
Other operating expenses	(42.5)	(38.0)	11.8%	(119.4)	(112.8)	5.9%
EBITDA	28.0	27.4	2.1%	77.7	81.7	-4.9%
% margin	*15.0%*	*15.7%*	*-0.7 pts*	*14.4%*	*15.6%*	*-1.2 pts*
Adjustments	4.6	3.5	32.8%	9.0	9.7	-7.4%
Adjusted EBITDA	32.6	30.9	5.5%	86.7	91.4	-5.2%
% margin	*17.5%*	*17.7%*	*-0.2 pts*	*16.0%*	*17.4%*	*-1.4 pts*
Depreciation & amortisation	(21.9)	(21.0)	4.6%	(64.6)	(63.6)	1.5%
% revenue	*-11.8%*	*-12.0%*	*0.2 pts*	*-11.9%*	*-12.1%*	*0.2 pts*

[1] Constant foreign currency rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Revenue

Sales in the three months ended 30 June 2015 were 6.8% ahead of last year. Excluding translation impacts[1] from the appreciation of the Swiss Franc and the British Pound against the Euro and the weakening of the Swedish Krona against the Euro sales were 1.1% higher than last year, representing a return to growth in the quarter.

The following table sets out the revenue development by region in the 3 months ended and year to date 30 June 2015 and 2014.

	3 months ended			Year to date		
	June 15 €m	**June 14 €m**	**Change %**	**June 15 €m**	**June 14 €m**	**Change %**
France	46.1	45.3	1.8%	132.9	137.9	-3.6%
West	25.5	23.7	7.6%	76.8	74.4	3.2%
Central	80.7	71.9	12.3%	232.3	214.7	8.2%
North	34.4	33.9	1.5%	98.7	96.9	1.8%
Inter-company eliminations	(0.0)	(0.0)		(0.2)	(0.1)	
Group	**186.7**	**174.8**	**6.8%**	**540.4**	**523.8**	**3.2%**

France

Revenue increased by 1.8% in the 3 months ended 30 June 2015 to € 46.1 million compared to prior year (2014: € 45.3 million). The increase was driven by 724 additional machines installed at client sites compared to 30 June 2014. Private vending sales were 3.3% higher than last year as a result of strong new business gains in the year. Public vending sales were 1.0% below last year – whilst sales in petrol stations were strong sales in railways and metros remained weak due to ongoing station works and increased competition from other sales points.

West

Revenue of € 25.5 million in the 3 months ended 30 June 2015 was 7.6% higher than last year (2014: € 23.7 million) due to translation impacts from the strong GBP. At constant foreign currency[1] rates sales were 3.1% below last year due to weak same machine sales[2] and low net growth, in particular increased churn of clients in the UK. Installations of the second wave of Starbucks on the go machines at Eurogarages in the UK have commenced with a total of 78 machines now in place, whilst the Starbucks installations at Shell stations in the Netherlands continue to deliver positive results.

Central

Revenue increased by 12.3% to € 80.7 million in the 3 months ended 30 June 2015 compared to prior year (2014: € 71.9 million). The region returned to growth in the quarter at constant foreign currency[1] rates, 0.9% higher than last year driven by strong new business gains in Switzerland, Germany and Spain. Same machine sales[2] remain challenging in Switzerland, a trend in line with the overall retail environment.

North

Revenue increased by 1.5% to € 34.4 million in the 3 months ended 30 June 2015 compared to prior year (2014: € 33.9 million). Sales growth excluding translation impacts arising fromthe Swedish Krona depreciation, sales growth at constant foreign currency[1] rates was 3.5% year on year. Net growth remains positive driven by the new Ferrara machine, with the installed machine base now 429 (1.5%) higher than last year.

[1] Constant foreign currency rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78
[2] Same machine sales excludes the impact of reinvestments at existing client sites

Gross profit

Gross profit increased by 8.0% to € 129.8 million in the 3 months ended 30 June 2015 compared to prior year (2014: € 120.2 million). At constant foreign currency[1] rates gross profit was 1.9% above last year. Gross profit margin increased by 0.7 percentage points to 69.5% in the 3 months ended 30 June 2015 (2014: 68.8%).

Employee benefits expense

Employee benefits expense of € 59.3 million in the 3 months ended 30 June 2015 was € 4.5 million, or 8.2% higher than prior year (2014: € 54.8 million) mainly driven by foreign currency translation impacts. At constant foreign currency[1] rates employee benefits expense was € 1.0 million, or 1.9% higher than last year. At 30 June 2015 the Group had 4'478 FTE's, in line with 30 June 2014. The increase in personnel costs is driven by an increase in the number of sales personnel offset by a reduction in operational staff. As the sales personnel cost per head is higher than operational staff this results in a higher personnel cost per FTE.

Other operating expenses

Other operating expenses increased by € 4.5 million, or 11.8%, to € 42.5 million in the 3 months ended 30 June 2015 (2014: € 38.0 million). At constant foreign currency[1] rates other operating expenses were € 2.4 million, or 6.3% higher than last year due to additional investment in sales force (€ 1.4 million) and € 0.9 million higher vending rent.

Depreciation, amortisation and impairment expense

Depreciation, amortisation and impairment expense increased by € 0.9 million, or 4.6%, to € 21.9 million in the 3 months ended 30 June 2015 (2014: € 21.0 million). At constant foreign currency[1] rates depreciation, amortisation and impairment expense were 0.2% lower than last year.

Adjustments

Adjustments in respect of one off items were € 4.6 million in the 3 months ended 30 June 2015, € 1.1 million, or 32.8%, higher than in prior year (2014: € 3.5 million). At constant foreign currency[1] rates adjustment in respect of one off items were € 0.8 million, or 21.5% higher than last year. This relates largely to costs incurred for external consultants to build and kick-start a new project management office and to improve the Group's current KPI and reporting framework.

[1] Constant foreign currency rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Adjusted EBITDA

Adjusted EBITDA increased by € 1.7 million, or 5.5%, in the 3 months ended 30 June 2015 to € 32.6 million compared to prior year (2014: € 30.9 million). At constant foreign currency[1] rates adjusted EBITDA was € 0.3 million, or 1.0% below prior year.

The following table sets out the adjusted EBITDA by region in the 3 months ended and year to date 30 June 2015 and 2014:

	3 months ended			Year to date		
	June 15 €m	**June 14 €m**	**Change %**	**June 15 €m**	**June 14 €m**	**Change %**
France	4.9	5.0	-2.8%	10.9	16.1	-32.3%
West	1.7	2.0	-16.4%	5.6	6.5	-14.0%
Central	20.9	18.3	14.2%	59.3	55.4	7.1%
North	8.8	8.6	1.7%	22.3	23.3	-4.5%
HQ	(3.7)	(3.0)		(11.4)	(9.9)	
Group	**32.6**	**30.9**	**5.5%**	**86.7**	**91.4**	**-5.2%**

France

Adjusted EBITDA of € 4.9 million in the 3 months ended 30 June 2015 was € 0.1 million, or 2.8%, below last year (2014: € 5.0 million). The gross profit impact of the sales growth on last year was offset by increased vending rent, investment in sales force driving new gains, and additional costs related to roll out of the Move machine.

West

Adjusted EBITDA of € 1.7 million in the 3 months ended 30 June 2015 was € 0.3 million, or 16.4%, below prior year (2014: € 2.0 million). At constant[1] currency rates adjusted EBITDA was € 0.5 million, or 24.2%, below in line with the sales outturn.

Central

Adjusted EBITDA of € 20.9 million in the 3 months ended 30 June 2015 was € 2.6 million, or 14.2%, higher than prior year (2014: € 18.3 million) due to translation impacts from the appreciation of the Swiss Franc. At constant[1] foreign currency rates EBITDA was slightly above last year (0.2%).

North

Adjusted EBITDA of € 8.8 million in the 3 months ended 30 June 2015 was € 0.2 million, or 1.7%, above prior year (2014: € 8.6 million). At constant[1] foreign currency rates EBITDA was € 0.3 million, or 3.9% higher than last year in line with the sales growth delivered.

HQ

Adjusted EBITDA in the 3 months ended 30 June 2015 was € 0.7 million lower than prior year due to translation impacts from the appreciation of the CHF. At constant foreign currency[1] rates headquarter costs were in line with prior year.

[1] Constant foreign currency rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Cash flow

	3 months ended			Year to date		
	June 15 €m	**June 14 €m**	**Change %**	**June 15 €m**	**June 14 €m**	**Change %**
Net cash generated from operating activities	24.0	24.8	-3.1%	44.5	63.9	-30.3%
Net cash used in investing activities	(23.1)	(12.4)	87.0%	(60.9)	(34.1)	78.7%
Free cash flow	**0.9**	**12.4**	**-93.0%**	**(16.4)**	**29.8**	**-155.1%**
Proceeds from / repayment of borrowings	17.5	(44.6)		31.7	(47.4)	
Interest paid	(19.5)	(5.7)		(38.2)	(24.8)	
Other	(1.6)	(2.2)		(4.3)	(2.2)	
Net cash used in financing activities	**(3.6)**	**(52.5)**		**(10.8)**	**(74.5)**	
Net change in cash and cash equivalents	**(2.8)**	**(40.1)**		**(27.2)**	**(44.7)**	

Net cash generated from operating activities of € 24.0 million in the 3 months ended 30 June 2015 was € 0.8 million, or 3.1%, lower than last year (2014: € 24.8 million).

Net cash used in investing activities increased by € 10.7 million, or 87.0%, to € 23.1 million in the 3 months ended 30 June 2015 (2014: € 12.4 million). Net capital expenditure increased by € 10.7 million, or 93.3%, to € 22.1 million (2014: € 11.4 million). Investment in vending machines increased by € 8.3 million, or 57.5% to € 22.8 million, driven by new business installations in recent months and reinvestment using new machine generations. Cash received from disposals decreased by € 0.7 million, or 36.6%, to € 1.1 million (2014: € 1.8 million) as a result of lower asset sales in the quarter. Capex funded through finance leasing also decreased by € 1.7 million, or 40.5%, to € 2.6m in the quarter.

Therefore free cash flow in the 3 months ended 30 June 2015 was € 0.9 million, € 11.5 million or 93.0%, below last year (2014: € 12.4 million).

Proceeds from borrowings of € 17.5 million in the 3 months ended 30 June 2015 represents drawings made on the Group’s revolving credit facility to fund capital investment and working capital movements.

Interest paid off € 19.5 million in the 3 months ended 30 June 2015 includes € 19.0 million representing the 6 monthly interest payment on the senior secured notes made in June 2015.

[1] Constant foreign currency rates based on 30 September 2014 as follows: CHF/EUR 1.21; SEK/EUR 9.11; GBP/EUR 0.78

Net debt

The following table sets out the group's net debt[2] at 30 June 2015.

	June 15 €m	Sep 14 €m	Change €m
Cash at bank	**20.9**	**45.4**	**(24.5)**
Revolving credit facility	34.9	-	34.9
Senior notes	585.3	553.0	32.3
PIK loan	247.7	220.7	27.0
Accrued interest	1.7	16.7	(15.0)
Finance leases	17.7	15.8	1.9
Total debt	**887.3**	**806.2**	**81.1**
Net debt	**866.4**	**760.8**	**105.6**

Cash at bank decreased by € 24.5 million to € 20.9 million at 30 June 2015 (30 September 2014: € 45.4 million).

The amounts outstanding under the Group's revolving credit facility increased by € 34.9 million to € 34.9 million at 30 June 2015 (30 September 2014: zero) as a result of drawings made under the facility to finance the Group's capital expenditure and working capital timing differences.

The amounts outstanding on the senior notes increased by € 32.3 million to € 585.3 million at 30 June 2015 (30 September 2014: € 553.0 million) due entirely to translation effects arising from the appreciation of the Swiss Franc. CHF 245 million of the Group's senior notes have been issued in Swiss Francs.

The amounts outstanding on the PIK loan increased by € 27.0 million to € 247.7 million at 30 June 2015 (30 September 2014: € 220.7 million) due to the capitalisation of the PIK interest.

Accrued interest decreased by € 15.0 million to € 1.7 million at 30 June 2015 (30 September 2014: € 16.7 million) subsequent to payment of 6 monthly interest on the notes on 12 June 2015.

As a result net debt increased by € 105.6 million to € 866.4 million at 30 June 2015 (30 September 2014: € 760.8 million).

Other material developments

There have been no other material developments in respect of the Group in the 3 months ended 30 June 2015 or since this date and up to the date of approval of these condensed consolidated interim financial statements.

[2] The above definition of debt is different to the IFRS definition of borrowings where the outstanding liabilities are reduced by the amount of the unamortised refinancing costs incurred

Condensed consolidated interim financial statements

Consolidated statement of profit or loss

	Notes	*9 months ended 30 June 2015 € (000's)*	*9 months ended 30 June 2014 € (000's)*
Revenue	6	540'427	523'785
Materials and consumables used		(168'203)	(164'225)
Employee benefits expense		(175'112)	(165'108)
Depreciation, amortisation and impairment expense		(64'576)	(63'623)
Other operating expenses		(127'847)	(124'794)
Other operating income		8'428	12'036
Profit before interest and income tax		**13'117**	**18'071**
Finance costs	7	(26'282)	(28'657)
Finance income		102	83
Loss before income tax		**(13'063)**	**(10'503)**
Income taxes		(3'195)	744
Net profit/(loss) for the period attributable to equity holders of the parent		**(16'258)**	**(9'759)**

Consolidated statement of comprehensive income

	9 months ended 30 June 2015 € (000's)	*9 months ended 30 June 2014 € (000's)*
Net profit (loss) for the period	**(16'258)**	**(9'759)**
Items that will not be reclassified to the consolidated statement of profit or loss		
Remeasurement gain on post-employment benefit obligations	(18'277)	1'002
Income tax relating to remeasurement gain on post-employment benefit obligations	5'607	(265)
	(12'670)	**737**
Items that are or may subsequently be reclassified to the consolidated statement of profit or loss		
Effective portion of changes in fair value of cash flow hedges	(3'041)	-
Income tax relating to effective portion of changes in fair value of cash flow hedges	806	-
Foreign exchange translation differences for foreign operations	(65'565)	(816)
	(67'800)	**(816)**
Other comprehensive income net of tax	**(80'470)**	**(79)**
Total comprehensive income attributable to equity holders of the parent	**(96'728)**	**(9'838)**

Consolidated balance sheet

	Notes	*30 June 2015 € (000's)*	*30 September 2014 € (000's)*
Assets			
Non-current assets			
Property, plant and equipment	8	192'440	168'925
Goodwill	9	483'128	483'128
Trademarks	10	286'301	286'301
Customer contracts	10	166'205	182'655
Other intangible assets	10	10'866	7'812
Deferred income tax assets		3'513	8'450
Derivative financial instruments	13	184	-
Non-current financial assets		4'236	2'563
Total non-current assets		**1'146'873**	**1'139'834**
Current assets			
Inventories		46'922	38'960
Trade receivables		46'724	38'522
Other current assets		36'484	35'409
Cash and cash equivalents		26'665	50'758
Total current assets		**156'795**	**163'649**
Total assets		**1'303'668**	**1'303'483**
Equity and liabilities			
Equity			
Share capital	12	187	187
Share premium	12	279'191	279'191
Additional paid-in capital	12	220'529	220'529
Currency translation reserve	12	(149'870)	(84'305)
Hedging reserve	12	(2'921)	(686)
Retained earnings	12	(244'583)	(215'655)
Equity attributable to equity holders of the parent		**102'533**	**199'261**
Non-current liabilities			
Borrowings	11	840'502	751'623
Derivative financial instruments	13	16'544	2'308
Non-current finance lease liabilities		9'586	11'116
Post-employment benefit obligations		32'356	10'694
Provisions		6'586	6'639
Deferred income tax liabilities		122'976	132'142
Total non-current liabilities		**1'028'550**	**914'522**
Current liabilities			
Derivative financial instruments	13	2'715	1'993
Current finance lease liabilities		8'112	4'206
Trade payables		81'018	98'112
Provisions		735	1'146
Current income tax liabilities		2'364	3'967
Other current liabilities		77'641	80'276
Total current liabilities		**172'585**	**189'700**
Total liabilities		**1'201'135**	**1'104'222**
Total equity and liabilities		**1'303'668**	**1'303'483**

Statement of changes in consolidated equity

	Share capital *€ (000's)*	***Share premium*** *€ (000's)*	***Additional paid-in capital*** *€ (000's)*	***Currency translation reserve*** *€ (000's)*	***Hedging reserve*** *€ (000's)*	***Retained earnings*** *€ (000's)*	***Equity attribut-able to equity holders of the parent*** *€ (000's)*
Balance at 1 October 2013	**187**	**278'457**	**220'529**	**(86'659)**	**-**	**(195'701)**	**216'813**
Other comprehensive income	-	-	-	2'354	(686)	3'368	5'036
Net profit/(loss)	-	-	-	-	-	(23'322)	(23'322)
Total comprehensive income	-	-	-	*2'354*	*(686)*	*(19'954)*	*(18'286)*
Capital contribution	-	*734*	-	-	-	-	*734*
Balance at 30 September 2014	**187**	**279'191**	**220'529**	**(84'305)**	**(686)**	**(215'655)**	**199'261**
Other comprehensive income	-	-	-	(65'565)	(2'235)	(12'670)	(80'470)
Net profit/(loss)	-	-	-	-	-	(16'258)	(16'258)
Total comprehensive income	-	-	-	(65'565)	(2'235)	(28'928)	(96'728)
Balance at 30 June 2015	**187**	**279'191**	**220'529**	**(149'870)**	**(2'921)**	**(244'583)**	**102'533**

Consolidated cash flow statement

	Notes	*9 months ended 30 June 2015 € (000's)*	*9 months ended 30 June 2014 € (000's)*
Cash flows from operating activities			
Net loss before income tax		(13'063)	(10'503)
Depreciation, amortization and impairment expense		64'576	63'626
Gain on disposal of property, plant and equipment, net		(1'733)	(3'249)
Net finance costs		26'180	28'574
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
(Increase)/Decrease in inventories		(5'551)	(5'321)
(Increase)/Decrease in trade receivables		(6'814)	(6'329)
(Increase)/Decrease in other current assets		1'100	590
Increase/(Decrease) in trade payables		(18'953)	(570)
Increase/(Decrease) in other liabilities		3'292	1'578
Income taxes (paid)/received		(4'497)	(4'461)
Net cash generated from/(used in) operating activities		**44'537**	**63'935**
Cash flows from investing activities			
Purchases of property, plant and equipment		(60'304)	(38'592)
Proceeds from sale of property, plant and equipment		4'111	6'358
Purchases of intangible assets		(4'864)	(1'955)
Interest received		102	83
Net cash used in investing activities		**(60'955)**	**(34'106)**
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings	11	31'725	771'692
Repayments of borrowings	11	-	(819'112)
Interest paid		(38'160)	(24'846)
Other non-cash items		(4'318)	(2'230)
Net cash generated from/(used in) financing activities		**(10'753)**	**(74'496)**
Net increase/(decrease) in cash and cash equivalents		**(27'171)**	**(44'667)**
Cash and cash equivalents at the beginning of the period		50'758	95'498
Exchange gains/(losses) on cash and cash equivalents		3'078	(84)
Cash and cash equivalents at the end of the period		**26'665**	**50'747**

Notes to the condensed consolidated interim financial statements

1. General Information

Selecta Group BV (“the Company”) is a limited company incorporated and domiciled in Amsterdam, the Netherlands. The Company and its subsidiaries are collectively referred to as herein as “the Group” or “the Selecta Group”. The Group is a European provider of food and beverage vending machine solutions. These financial statements do not represent statutory financial statements of the parent entity Selecta Group B.V.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all information required for a complete set of IFRS financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 September 2014.

Selected explanatory notes have been included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 September 2014.

3. Summary of significant accounting policies

3.1. Accounting policies

The accounting policies adopted in the interim period are consistent with those in the previous financial year as disclosed in the financial statements for the year ended 30 September 2014, except for those accounting policies which have changed as a result of the issuance of new or revised standards and interpretations as disclosed in note 3.2 below.

3.2. New and revised/amended standards and interpretations

The Group has applied the following new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS) as from 1 October 2014.

	Effective date	***Planned application by Selecta Group B.V.***
New Standards or Interpretations		
IFRIC 21 Levies	1 January 2014	Reporting year 2014/15
Revisions and amendments of Standards and Interpretations		
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014	Reporting year 2014/15
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014	Reporting year 2014/15
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014	Reporting year 2014/15
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014	Reporting year 2014/15
Annual Improvements to IFRSs 2010-2012 Cycle	1 July 2014	Reporting year 2014/15
Annual Improvements to IFRSs 2011-2013 Cycle	1 July 2014	Reporting year 2014/15

3.3. Foreign exchange rates

The foreign currency rates applied against the Euro were as follows:

		30 June 2015	
		Balance sheet	*Income statement*
Czech Koruna	CZK	27.25	27.56
Danish Krone	DKK	7.46	7.45
Great Britain Pound	GBP	0.71	0.75
Hungarian Forint	HUF	314.93	307.88
Norwegian Kroner	NOK	8.79	8.67
Swedish Krona	SEK	9.22	9.32
Swiss Franc	CHF	1.04	1.10

3.4. Statement of seasonality of operations

Whilst the business of Selecta fluctuates from month to month, the impact between the first nine months and the remaining three months is limited, and in addition seasonal fluctuations across the months offset each other to a certain degree at group level.

4. Use of estimates and key sources of estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2014.

5. Segmental reporting

The Group is organised and managed internally within four geographical regions. Each of these regions, which are the operating segments of the Group, offers a similar portfolio of vending products and services to consumers and customers. No operating segments have been aggregated. These segments represent the reportable segments of the Group, as follows:

Region France: includes operating entities in France.

Region West: includes operating entities in UK, Ireland, Netherlands and Belgium.

Region Central: includes operating entities in Switzerland, Germany, Spain, Austria, Czech Republic, Slovakia and Hungary.

Region North: includes operating entities in Sweden, Finland, Estonia, Latvia, Lithuania, Denmark and Norway.

In addition to the segments identified above, the Group reports separately on its Headquarters (HQ), which includes corporate centre functions in Switzerland and in the Netherlands.

The operating results, earnings before interest, tax, depreciation and amortisation (EBITDA), of each reportable segment are regularly reviewed by the Chief Executive Officer, as the Group's Chief Operating Decision Maker, to assess performance and to determine how resources should be distributed.

Result for the 9 months ended 30 June 2015

	France € (000's)	**West** € (000's)	**Central** € (000's)	**North** € (000's)	**Total segments** € (000's)	**HQ** € (000's)	**IC elimin-ations** € (000's)	**Total Group** € (000's)
External revenue	132'892	76'757	232'280	98'654	**540'583**	-	(156)	**540'427**
Profit before interest, tax, depreciation and amortisation (EBITDA)	**8'193**	**4'566**	**59'017**	**21'597**	**93'373**	**(15'680)**	**-**	**77'693**
Depreciation and amortisation	(9'427)	(7'459)	(19'682)	(9'687)	**(46'255)**	(18'321)	-	**(64'576)**
Impairment expense	-	-	-	-	**-**	-	-	**-**
Profit before interest and income tax								**13'117**
Finance costs and finance income, net								**(26'180)**
Loss before income tax								**(13'063)**

Result for the 9 months ended 30 June 2014

	France € (000's)	**West** € (000's)	**Central** € (000's)	**North** € (000's)	**Total segments** € (000's)	**HQ** € (000's)	**IC elimin-ations** € (000's)	**Total Group** € (000's)
External revenue	137'856	74'401	214'734	96'901	**523'892**	14	(121)	**523'785**
Profit before interest, tax, depreciation and amortisation (EBITDA)	**13'153**	**5'456**	**54'315**	**22'189**	**95'113**	**(13'419)**	**-**	**81'694**
Depreciation and amortisation	(10'034)	(7'179)	(18'932)	(9'314)	**(45'459)**	(18'164)	-	**(63'623)**
Impairment expense	-	-	-	-	**-**	-	-	**-**
Profit before interest and income tax								**18'071**
Finance costs and finance income, net								**(28'574)**
Loss before income tax								**(10'503)**

There is no material revenue earned between the operating segments.

In addition, net revenues and non-current assets other than financial instruments and deferred tax assets are allocated according to the registered office of the related Group company as follows:

	Net revenue		*Non-current assets excluding deferred tax assets*	
	9 months ended 30 June 2015 € (000's)	*9 months ended 30 June 2014 € (000's)*	*30 June 2015 € (000's)*	*30 September 2014 € (000's)*
Switzerland	166'410	150'626	781'784	672'282
France	132'892	137'856	54'033	41'481
Sweden	76'559	75'842	48'656	45'739
UK	53'847	51'091	17'022	16'870
Germany	31'745	30'945	9'126	9'133
Netherlands	18'905	19'052	5'084	4'824
All other countries	60'069	58'373	37'169	40'248
Not allocated			190'302	300'807
Total	**540'427**	**523'785**	**1'143'176**	**1'131'384**

6. Revenue

	9 months ended 30 June 2015 € (000's)	*9 months ended 30 June 2014 € (000's)*
Revenue from publicly accessible points of sale	111'143	111'908
Revenue from privately placed points of sale	368'422	340'090
Revenue from trade sales of machines and products	38'426	49'106
Other revenue	22'436	22'681
Total revenue	**540'427**	**523'785**

Other revenue includes revenue from the rendering of technical services and rental income from machines placed at client sites under a rental contract.

Due to the nature of the Group's business operations, whereby the sale of goods and rendering of services are often incorporated into one contractual price, it is not possible to split revenue into these categories. Therefore the Group has disclosed instead the allocation of revenue used for internal management reporting purposes.

7. Finance costs

	9 months ended 30 June 2015 € (000's)	*9 months ended 30 June 2014 € (000's)*
Interest on borrowings	(52'125)	(27'279)
Finance lease interest	(439)	(318)
Change in fair value of derivative financial instruments	(11'119)	-
Foreign exchange gain/(loss) (net)	37'401	(1'060)
Total finance costs	**(26'282)**	**(28'657)**

8. Property, plant and equipment

Property, plant and equipment consists primarily of vending equipment.

Additions of property, plant and equipment in the 9 months ended 30 June 2015 amount to € 62.4 million.

Net book values of disposals of property, plant and equipment in the 9 months ended 30 June 2015 amount to € 34.1 million.

As at 30 June 2015 commitments in respect of capital expenditure amounted to € nil (30 September 2014: € 19.0 million).

9. Goodwill

	30 June 2015 € (000's)	*30 September 2014 € (000's)*
Goodwill	**483'128**	**483'128**

During the financial year ended 30 September 2014 the carrying value of the Group, including goodwill, has been compared to its recoverable amount. It has been concluded that the recoverable amount exceeds the carrying amounts and therefore no impairment is required to be booked.

In respect of the 9 months ended 30 June 2015 management has reviewed whether there are any indications of impairment which would trigger the requirement to perform an impairment test at 30 June 2015 and concluded that there are no such indications of impairment.

10. Other intangible assets

Other intangible assets consist primarily of trademarks and customer contracts.

The trademark recognised by the Group represents the brand name and has an indefinite useful life. Therefore this trademark is tested for impairment annually.

During the financial year ended 30 September 2014 the carrying value of the trademark has been compared to its recoverable amount. It has been concluded that the recoverable amount exceeds the carrying amounts and therefore no impairment is required to be booked.

In respect of the 9 months ended 30 June 2015 management has reviewed whether there are any indications of impairment which would trigger the requirement to perform an impairment test at 30 June 2015 and concluded that there are no such indications of impairment.

The customer contracts recognised by the Group arise primarily from the customer contracts acquired as part of a previous business combination and are amortised over the determined useful life of 15 years.

11. Borrowings

	30 June 2015 € (000's)	*30 September 2014 € (000's)*
Borrowings at amortised cost	603'561	535'013
Loans due to parent undertaking at amortised cost	236'941	216'610
Total borrowings	**840'502**	**751'623**

The maturity of borrowings is as follows:

	30 June 2015 € (000's)	*30 September 2014 € (000's)*
Less than one year	-	-
After one year but not more than five years	840'502	-
More than five years	-	751'623
Total borrowings	**840'502**	**751'623**

11.1. Total borrowings by currency

Total amount of outstanding liabilities in respect of the groups borrowings were:

	30 June 2015			30 September 2014 (as restated)		
	€ million	*in %*	*Interest rate*	*€ million*	*in %*	*Interest rate*
EUR	629.8	72.6%	8.5%	577.4	74.0%	8.6%
CHF	238.2	27.4%	6.5%	203.0	26.0%	6.5%
Total	**868.0**	**100%**	**7.9%**	**780.4**	**100%**	**8.0%**

The amounts shown above excluded unamortised borrowing costs.

11.2. Rate structure of borrowings

	30 June 2015 € million	*30 September 2014 € million*
Total borrowings at variable rates	34.9	-
Total borrowings at fixed rates	805.6	751.6
Total	**840.5**	**751.6**

11.3. Details of borrowing facilities

In June 2014 the Group issued a € 350 million 6.5% senior secured note (ISIN: XS1078234686, XS1078234330) and a CHF 245 million 6.5% senior secured note (ISIN: XS1078234926, XS1078235147). The notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF market.

In addition the Group's parent undertaking, Selecta Group S.a.r.L. issued a PIK loan for € 220 million, the proceeds of which have been loaned to the Group also in the form of a PIK loan (the "PIK proceeds loan"). The PIK proceeds loan carries an interest rate of 11.875%

As part of the refinancing package the Group entered into a € 50 million super senior revolving credit facility. The amount drawn under this facility at 30 June 2015 is € 34.9 million (30 September 2014: nil).

The senior secured notes and the revolving credit facility are secured by first ranking security interests over all the issued share capital of certain Group companies (together the "Guarantors"), certain receivables and intercompany receivables of the Company and the Guarantors, including assignment of the PIK Proceeds Loan and certain bank accounts of the Company.

12. Equity

12.1. Share capital and share premium

The Group's share capital consists of 187'000 fully paid ordinary shares (30 September 2014: 187'000) with a nominal value of € 1 per share.

Fully paid ordinary shares carry one vote per share and a right to dividends.

12.2. Reserves

The other comprehensive income accumulated in reserves, net of tax was as follows:

	Attributed to equity holders of the parent			
30 June 2015	*Currency translation reserve € (000's)*	*Retained earnings € (000's)*	*Hedging reserve € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	(65'565)			**(65'565)**
Remeasurement gain/(loss) on post-employment benefit obligations, net of tax		(12'670)		**(12'670)**
Effective portion of change in fair value of cash flow hedges, net of tax			(2'235)	**(2'235)**
Total other comprehensive income, net of tax	**(65'565)**	**(12'670)**	**(2'235)**	**(80'470)**

	Attributed to equity holders of the parent			
30 September 2014	*Currency translation reserve € (000's)*	*Retained earnings € (000's)*	*Hedging reserve € (000's)*	***Total*** *€ (000's)*
Foreign currency translation differences for foreign operations	2'354	-	-	**2'354**
Remeasurement gain/(loss) on post-employment benefit obligations, net of tax	-	3'368	-	**3'368**
Effective portion of change in fair value of cash flow hedges, net of tax	-	-	(686)	**(686)**
Total other comprehensive income, net of tax	**2'354**	**3'368**	**(686)**	**5'036**

Reserves arising from foreign currency translation adjustments comprise the differences from the foreign currency translation of the financial statements of subsidiaries from the functional currency into EURO.

Retained earnings include the accumulated net losses as well as the accumulated remeasurement gains and losses on post-employment benefit obligations, including any income taxes.

The hedging reserves comprise the effective portion of changes in the fair value of hedging instruments which were designated a cash flow hedges, included any related income taxes.

13. Financial instruments

13.1. Accounting classifications and fair values

At 30 June 2015

	Carrying amount				*Fair value*			
	Cash flow hedging instrument € (000's)	*Loans and receivables € (000's)*	*Other financial liabilities € (000's)*	***Total € (000's)***	*Level 1 € (000's)*	*Level 2 € (000's)*	*Level 3 € (000's)*	***Total € (000's)***
Financial assets measured at fair value								
Cross currency swaps used for hedging	184	-	-	**184**	-	184	-	**184**
	184	**-**	**-**	**184**				
Financial assets not measured at fair value								
Trade receivables	-	46'724	-	**46'724**				
Non-current other financial assets	-	4'236	-	**4'236**				
Cash and cash equivalents	-	26'665	-	**26'665**				
Accrued income	-	21'474	-	**21'474**				
	-	**99'099**	**-**	**99'099**				
Financial liabilities measured at fair value								
Cross currency swaps used for hedging	(19'259)	-	-	**(19'259)**	-	(19'259)	-	**(19'259)**
	(19'259)	**-**	**-**	**(19'259)**				
Financial liabilities not measured at fair value								
Revolver credit facility	-	-	(34'880)	**(34'880)**	-	(34'880)	-	**(34'880)**
Secured loan notes	-	-	(568'681)	**(568'681)**	(566'252)	-	-	**(566'252)**
Loans due to parent undertaking	-	-	(236'941)	**(236'941)**	-	(236'941)	-	**(236'941)**
Finance lease liabilities	-	-	(17'698)	**(17'698)**	-	(17'698)	-	**(17'698)**
Trade payables	-	-	(81'018)	**(81'018)**				
	-	**-**	**(939'218)**	**(939'218)**				

At 30 September 2014

	Carrying amount				*Fair value*			
	Cash flow hedging instrument € (000's)	*Loans and receivables € (000's)*	*Other financial liabilities € (000's)*	***Total € (000's)***	*Level 1 € (000's)*	*Level 2 € (000's)*	*Level 3 € (000's)*	***Total € (000's)***
Financial assets not measured at fair value								
Trade receivables	-	38'522	-	**38'522**				
Non-current other financial assets	-	2'563	-	**2'563**				
Cash and cash equivalents	-	50'758	-	**50'758**				
Accrued income	-	20'185	-	**20'185**				
	-	**112'028**	**-**	**112'028**				
Financial liabilities measured at fair value								
Cross currency swaps used for hedging	(4'301)	-	-	**(4'301)**	-	(4'301)	-	**(4'301)**
	(4'301)	**-**	**-**	**(4'301)**				
Financial liabilities not measured at fair value								
Secured loan notes	-	-	(535'013)	**(535'013)**	(517'928)	-	-	**(517'928)**
Loans due to parent undertaking	-	-	(216'610)	**(216'610)**	-	(216'610)	-	**(216'610)**
Finance lease liabilities	-	-	(15'322)	**(15'322)**	-	(15'322)	-	**(15'322)**
Trade payables	-	-	(98'112)	**(98'112)**				
	-	**-**	**(865'057)**	**(865'057)**				

13.2. Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 fair values:

Financial instruments measured at fair value

	Valuation technique	*Significant unobservable inputs*
Cross currency swaps used for hedging	Periodic mid market values are based on observable inputs including foreign currency exchange rates and interest rates. A credit spread is added to the standard, risk-free discount curve, determined by comparing the composite yield of a basket of fixed-rate bonds issued by entities with similar credit characteristics to the Company, to the risk-free rate.	Not applicable

Financial instruments not measured at fair value

	Valuation technique	*Significant unobservable inputs*
Debt securities	Discounted cash flows	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

13.3. Derivative financial instruments designated as cash flow hedges

The Group holds certain cross currency swaps in order to hedge against the impact of exchange rate fluctuations on the Group's interest payments and borrowings. These cross currency swaps have been designated as cash flow hedges to the extent that they represent an effective accounting hedge.

At 30 June 2015 the derivative financial instruments had a negative fair value of € 19.1 million (30 September 2014: € -4.3 million). In the 9 months ended 30 June 2015 the negative change in fair value of the derivative financial instruments which was recorded in other comprehensive income was € 3.0 million (2014: € -0.7 million).

The following table shows the original trade date, maturity date, notional amounts and carrying amount of the cross currency swaps:

30 June 2015	*Original trade date*	*Maturity date*	*Notional amount € (000's)*	*Carrying amount € (000's)*
CHF / EUR cross currency swap	20 June 2014	15 June 2017	85'000	(17'450)
SEK / EUR cross currency swap	20 June 2014	15 June 2017	170'000	(1'625)

30 September 2014	*Original trade date*	*Maturity date*	*Notional amount € (000's)*	*Carrying amount € (000's)*
CHF / EUR cross currency swap	20 June 2014	15 June 2017	85'000	(1'198)
SEK / EUR cross currency swap	20 June 2014	15 June 2017	170'000	(3'103)

The following table indicates the periods in which the cash outflows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments:

	Carrying amount € (000's)	*Total € (000's)*	*One year or less € (000's)*	*More than one year € (000's)*
30 June 2015				
Cross currency swaps used for hedging	(19'075)	(19'657)	(2'947)	(16'710)
30 September 2014				
Cross currency swaps used for hedging	(4'301)	(4'534)	(2'051)	(2'483)

The following table indicates the periods in which the cash outflows associated with cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments:

	Carrying amount € (000's)	*Total € (000's)*	*One year or less € (000's)*	*More than one year € (000's)*
30 June 2015				
Cross currency swaps used for hedging	(19'075)	(19'657)	(2'947)	(16'710)
30 September 2014				
Cross currency swaps used for hedging	(4'301)	(4'534)	(2'051)	(2'483)

13.4. Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives master netting agreements under which, in the event of a default, the amounts owed by each counterparty at any given point in time are aggregated into a single net amount that is payable by one party to the other.

14. Acquisition and disposal of subsidiaries

During the 9 months ended 30 June 2015 there have not been any acquisitions or disposals of subsidiaries (2014: none).

15. Events after the balance sheet date

To the best of management's knowledge, no events have occurred between 30 June 2015 and the date of these consolidated financial statements that could have a material impact on the consolidated financial statements.

Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the 9 months ended 30 June 2015 have been authorised by the Board of Directors on 20 August 2015.

Amsterdam, 20 August 2015

Dr. Rainer Husmann,
Member of the Supervisory Board

Joerg Spanier,
Member of the Supervisory Board

Mark Brown,
Member of the Supervisory Board

Remo Brunschwiler,
Member of the Management Board

Gary Hughes,
Member of the Management Board

Christian Zarnitz,
Member of the Management Board

Cornelis Bunschoten,
Member of the Management Board