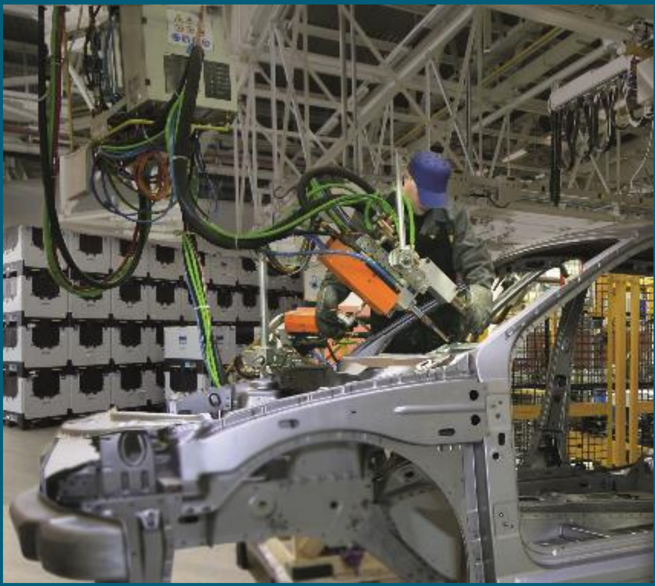

Schoeller Allibert Group B.V.

Quarter Three 2017

Schoeller Allibert B.V.
Quarter Three 2017
Condensed consolidated interim financial statements

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Cautionary statement: The operating and financial review and certain other sections of this document contain forward looking statements which are subject to risk factors associated with, amongst others, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated.

Schoeller Allibert at a glance

Schoeller Allibert is Europe's largest manufacturer of plastic returnable transit packaging. Schoeller Allibert has extensive expertise in a range of industries, including agriculture, automotive, food and food processing, beverage, retail, industrial manufacturing and pooling.

12 factories in Europe, 1 in the US

More than 1,900 employees

Present in over 50 countries

Principal Activities

Schoeller Allibert Group B.V. (the "Company") and its subsidiaries (collectively, the "Group" or "Schoeller Allibert") is Europe's largest manufacturer of plastic containers and returnable transit packaging (RTP). Schoeller Allibert offers a wide range of products to meet the storage, handling and distribution needs of large and medium sized companies on a local, regional and global level. Schoeller Allibert employs approximately 1,900 people with the majority employed in Europe, where the Group has production and sales activities in over 20 countries.

Schoeller Allibert's products include tough stacking containers, rigid pallet containers (RPCs) for secure distribution, heavy-duty rigid and folding large containers (FLCs), pallets and dollies which have been designed to protect small, large or unusually shaped components; to timely deliver goods and, thanks to foldable or stackable units to save valuable space on return journeys. Manufactured to precise dimensions, to fit and function seamlessly with all handling equipment, Schoeller Allibert's containers are the ideal handling medium for automated warehouses and distribution centers. They promote a reliable and consistent flow, withstanding heavy unit loads and allow fast movement through automated storage and retrieval systems, thereby helping customers to speed handling operations, reduce logistics costs and eliminate packaging waste.

Schoeller Allibert has extensive expertise in a range of industries, including agriculture, automotive, food and food processing, beverage, retail, industrial manufacturing and pooling. With more than 50 years of experience in developing industrial reusable packaging, Schoeller Allibert has built leading market positions by understanding its target industry sectors and applying extensive expertise to design and implement customized industrial reusable packaging solutions that address industry specific handling, logistics, storage and retrieval requirements.

Key Financial Results

The table below shows the Group's key consolidated financial results for the three and nine months ended 30 September 2017 and 2016:

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	2016	2017	2016
Revenue before adjusting items	131,737	127,958	376,609	377,605
Revenue growth	3.0%	-10.2%	-0.3%	-8.5%
EBITDA before adjusting items	15,691	16,334	41,163	41,010
EBITDA before adjusting items as a % of revenue	11.9%	12.8%	10.9%	10.9%
Profit/(loss) before income taxes	2,444	1,355	(13,782)	(9,081)
Net capital expenditure	7,727	8,166	15,665	14,646
Net capital expenditure as a % of revenue	5.9%	6.4%	4.2%	3.9%
Cash generated from operations (pro-forma)	10,222	11,117	33,221	27,814

* Cash generated from operations (pro-forma) for 2016 has been adjusted for the impact of the change in the factoring agreements.

The table below shows the Group's key other financial metrics as at 30 September 2017 and 31 December 2016:

	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
EUR'000	2017	2016
Net working capital	(14,892)	(10,813)
Cash and cash equivalents	47,990	51,402
Total net loans and borrowings	185,676	177,492

* Net working capital for 2017 is adjusted for the customer settlement (EUR 9,317 thousand) and Swedish tax liability (EUR 10,901 thousand) and related accrued interest (EUR 884 thousand).

Net working capital is defined as current assets (excluding cash and cash equivalents and receivables from related parties) less current liabilities (excluding current portion of loans and borrowings, bank overdrafts and payables due from related parties).

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts.

Net loans and borrowings are defined as total current and non-current loans and borrowings less cash and cash equivalents.

Operating and Financial Review

Revenue

The table below shows the Group's operating segment revenue for the three and nine months ended 30 September 2017 and 2016:

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	2016	2017	2016
Northern Europe	52,868	46,233	134,591	140,197
Southern Europe	28,113	28,071	87,110	84,813
UK and rest of Europe	25,065	24,017	71,513	65,708
United States of America	5,348	13,533	27,721	33,329
All Other Segments	20,343	16,102	55,674	53,557
Total revenue	**131,737**	**127,958**	**376,609**	**377,605**

Operating segments are aggregated to the following reportable segments which include:

- *Northern Europe:* the Netherlands, Belgium, Germany, Austria and Switzerland.
- *Southern Europe*: France, Italy, Spain and Portugal.
- *UK and rest of Europe*: the United Kingdom, Czech Republic, Romania, Slovakia, Hungary, Poland, Serbia, Turkey, Sweden, Finland, Latvia, Ukraine and Russia.
- *United States of America*: the USA.
- *All Other Segments*: Services business and International businesses, which are comprised of the sale of moulds and RTP products into emerging markets, and Head Office.

Revenue in Northern Europe increased by EUR 6,635 thousand, or 14.4%, from EUR 46,233 thousand for the three months ended 30 September 2016 to EUR 52,868 thousand for the three months ended 30 September 2017. This growth in revenue was primarily attributable to an increase in orders in the pooling market in Europe and the commencement of the new factory in Belgium.

Revenue in Southern Europe increased by EUR 42 thousand, or 0.1%, from EUR 28,071 thousand for the three months ended 30 September 2016 to EUR 28,113 thousand for the three months ended 30 September 2017. The Region showed stable performance due to orders from agriculture and automotive.

Revenue in the UK and rest of Europe increased by EUR 1,048 thousand, or 4.4%, from EUR 24,017 thousand for the three months ended 30 September 2016 to EUR 25,065 thousand for the three months ended 30 September 2017. This increase was primarily attributable to higher revenues from the customers in the beverage and automotive sector.

Revenue in the USA decreased by EUR 8,185 thousand, or 60.5%, from EUR 13,533 thousand for the three months ended 30 September 2016 to EUR 5,348 thousand for the three months ended 30 September 2017. This decrease was attributable to lower volumes and to the use of a higher proportion of regrind material.

Revenue in all Other Segments increased by EUR 4,241 thousand, or 26.3%, from EUR 16,102 thousand for the three months ended 30 September 2016 to EUR 20,343 thousand for the three months ended 30 September 2017. This increase is primarily attributable to higher revenues from the Services business.

EBITDA before adjusting items

EBITDA before adjusting items refers to earnings before interest, tax, depreciation, amortisation and adjusting items, and is a key financial measure used by the Management to assess operational performance. It excludes the impact of adjusting items, such as costs incurred in the realization of cost reduction programs, which are items that are material, non-recurring and significant in nature and amount.

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	2016	2017	2016
Total EBITDA before adjusting items	15,691	16,334	41,163	41,010

EBITDA before adjusting items decreased by EUR 644 thousand, or 3.9% to EUR 15,691 thousand for the three months ended 30 September 2017 compared to EUR 16,334 thousand for the three months ended 30 September 2016.The lower EBTIDA resulting from the lower revenue from the US operations was partially compensated by higher EBITDA in all other segments.

The following table shows a breakdown of EBITDA before adjusting items by geographic segment the for three and nine months ended 30 September 2017 and 2016:

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	2016	2017	2016
Northern Europe	6,208	4,980	12,265	16,309
Southern Europe	3,128	3,040	8,273	8,052
UK and rest of Europe	3,368	3,223	6,806	5,449
United States of America	(1,306)	1,909	(398)	2,913
All Other Segments	4,294	3,184	14,216	8,289
Total EBITDA before adjusting items	**15,691**	**16,334**	**41,163**	**41,010**

* For 2017 comparability, 2016 Segment EBITDA has been adjusted for the additional allocation of Head Office cost

Net finance income/expense

Net finance expense for the three months ended 30 September 2017 was EUR 5,623 thousand (expense for the three months ended 30 September 2016 : EUR 6,183 thousand). This decrease was primarily due to lower interest cost amounting to EUR 4,622 thousand for the three months ended 30 September 2017 (for the three months ended 30 September 2016 interest amounted to: EUR 6,801 thousand), partially offset by higher financial result. Lower interest cost is driven by the optimisation of the Company's capital structure, following the refinancing of the Company in October 2016, offset by the interest to the amount of EUR 992 thousand related to the lost Swedish tax case (explained in detail in Note 11: Income tax expense).

Profit before income taxes

The profit before income taxes was EUR 2,444 thousand for the three months ended 30 September 2017 (the three months ended 30 September 2016: the profit of EUR 1,355 thousand), with the year-on-year change driven primarily by lower depreciation and amortisation charges and lower finance expenses, partially offset by lower EBITDA before adjusting items and higher adjusting items.

Net capital expenditure

Net capital expenditure was EUR 16,144 thousand outflow for the nine months ended 30 September 2017 (the three months ended 30 September 2016: EUR 8,166 thousand outflow), which represented 5.9% of revenue for the three months ended 30 September 2017 (6.4% for the three months ended 30 September 2016). The increase was driven by the different timing of capital expenditure during the year, with 2017 investments in breakthrough projects planned in the second half of the year.

Cash generated from operations

Cash generated from operations during the three months ended 30 September 2017 amounted to a EUR 10,222 thousand inflow (the three months ended 30 September 2016 EUR 28,112 thousand inflow).

Cash generated from operations during the nine months ended 30 September 2017 amounted to a EUR 33,221 thousand inflow (the six months ended 30 September 2016 EUR 63,721 thousand inflow).

During 2016, the Group renewed two factoring agreements. Under the new, non-recourse factoring agreements, the Group transfers substantially all the risks and rewards on the factored receivables to the factor. Consequently, the liability related to receivables factored under the new agreement were derecognized from the Group's balance sheet.

The following pro-forma figures show the cash flow figures as if the Group had had non-recourse factoring in place from the beginning of 2016, for the three and nine months ended 30 September 2016.

The difference between 2016 reported and pro-forma figures represent the movement in the factoring balances of EUR 16,995 thousand from 30 June 2016 to 30 September 2016 for the three months ended 30 September 2016 and of EUR 35,907 thousand from 31 December 2015 to 30 September 2016 for the nine months ended 30 June 2016.

	THREE MONTHS ENDED 30 SEPTEMBER		
	2017	2016	2016 - proforma
EUR'000	Total	Total	Total
Change in trade and other receivables	3,326	14,600	(2,395)
Cash generated from operations	10,222	28,112	11,117
Repayment of borrowings	(210)	(17,076)	(81)

	NINE MONTHS ENDED 30 SEPTEMBER		
	2017	2016	2016 - proforma
EUR'000	Total	Total	Total
Change in trade and other receivables	152	41,474	5,567
Cash generated from operations	33,221	63,721	27,814
Repayment of borrowings	(6,185)	(38,281)	(2,374)

Net working capital is defined as current assets (excluding cash and cash equivalents and receivables from related parties) less current liabilities (excluding current portion of loans and borrowings, bank overdrafts and payables due from related parties).

As of 30 September 2017, the receivables from related parties were equal to EUR 1,295 thousand (31 December 2016: EUR 961 thousand) and the payables due from related parties were equal to EUR 361 thousand (31 December 2016: EUR 395).

As of 30 September 2017, the Group had negative net working capital of EUR 14,892 thousand, adjusted for the customer settlement of EUR 9,317 thousand and Swedish tax liability of EUR 10,901 EUR thousand and related accrued interest of EUR 884 thousand (31 December 2016 negative net working capital of EUR 10,813 thousand). The decrease in the net working capital was mainly due to lower trade and other payable levels as of 30 September 2017.

Cash and cash equivalents

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts. As 30 September 2017 the Group had EUR 47,990 thousand (31 December 2016: EUR 51,402 thousand) of net cash on its balance sheet.

As at 30 September 2017, the Group had one revolving credit facility of EUR 30 million (31 December 2016: EUR 30 million). The unused part of the facility as at 30 September 2017 amounted to EUR 18.5 million (31 December 2016: EUR 24.1 million).

Total net loans and borrowings

Net loans and borrowings is defined as total current and non-current loans and borrowings less cash and cash equivalents, which increased by 4.6% to EUR 185,676 thousand as at nine months ended 30 September (31 December 2016: EUR 177,492 thousand), mostly driven by lower cash balances, new loans and finance leases granted, compensated by the repayments of loans and finance leases.

Subsequent events

There have been no material events subsequent to the period end which require additional disclosure.

Consolidated Income Statement – three months ended 30 September

EUR'000	Note	THREE MONTHS ENDED 30 SEPTEMBER 2017			THREE MONTHS ENDED 30 SEPTEMBER 2016		
		Before adjusting items	Adjusting items	Total	Before adjusting items	Adjusting items	Total
Revenue	8	131,737	(146)	131,591	127,958	-	127,958
Other income		29	4	34	124	-	124
Raw materials and consumables used		(70,195)	0	(70,195)	(63,794)	-	(63,794)
Costs for subcontracting		(530)	-	(530)	(1,490)	-	(1,490)
Employee benefit expense		(26,962)	(149)	(27,111)	(26,842)	(377)	(27,219)
Other operating costs		(18,389)	(1,798)	(20,186)	(19,622)	218	(19,404)
Operating expenses excluding depreciation, amortisation and impairment		**(116,075)**	**(1,946)**	**(118,022)**	**(111,748)**	**(158)**	**(111,906)**
EBITDA	8	**15,691**	**(2,088)**	**13,603**	**16,334**	**(158)**	**16,176**
Depreciation and impairment expense		(4,471)	-	(4,471)	(6,629)	-	(6,629)
Amortisation and impairment expense		(1,066)	-	(1,066)	(2,009)	-	(2,009)
Operating result		**10,154**	**(2,088)**	**8,066**	**7,696**	**(158)**	**7,538**
Finance income		382	-	382	102	-	102
Finance expense		(6,004)	-	(6,004)	(6,285)	-	(6,285)
Net finance income/(expense)	10	**(5,623)**	**-**	**(5,623)**	**(6,183)**	**-**	**(6,183)**
Profit before income taxes		**4,532**	**(2,088)**	**2,444**	**1,514**	**(158)**	**1,355**
Income tax (expense)/income	11	(2,673)	204	(2,469)	(1,312)	90	(1,222)
Profit/(loss) for the period		**1,858**	**(1,884)**	**(26)**	**202**	**(68)**	**134**
Attributable to:							
Owners of the Company				(119)			21
Non-controlling interests				93			111

* For 2017 comparability, 2016 Raw materials, cost for subcontracting and Other operating cost line have been adjusted.

Consolidated Income Statement – nine months ended 30 September

EUR'000	Note	NINE MONTHS ENDED 30 SEPTEMBER 2017 Before adjusting items	Adjusting items	Total	NINE MONTHS ENDED 30 SEPTEMBER 2016 Before adjusting items	Adjusting items	Total
Revenue	8	376,609	(10,892)	365,717	377,605	-	377,605
Other income		1,075	4	1,079	209	-	209
Raw materials and consumables used		(194,053)	-	(194,053)	(189,775)	-	(189,775)
*Costs for subcontracting		(2,368)	-	(2,368)	(3,130)	-	(3,130)
Employee benefit expense		(82,088)	(1,851)	(83,940)	(82,689)	(1,756)	(84,445)
Other operating costs		(58,013)	(3,440)	(61,453)	(61,209)	(420)	(61,629)
Operating expenses excluding depreciation, amortisation and impairment		**(336,521)**	**(5,292)**	**(341,813)**	**(336,804)**	**(2,176)**	**(338,980)**
EBITDA	8	**41,163**	**(16,179)**	**24,984**	**41,010**	**(2,176)**	**38,834**
Depreciation and impairment expense		(17,782)	-	(17,782)	(19,831)	-	(19,831)
Amortisation and impairment expense		(3,470)	-	(3,470)	(5,721)	-	(5,721)
Operating result		**19,911**	**(16,179)**	**3,732**	**15,458**	**(2,176)**	**13,282**
Finance income		417	-	417	131	-	131
Finance expense		(17,930)	-	(17,930)	(22,494)	-	(22,494)
Net finance income/(expense)	10	**(17,513)**	**-**	**(17,513)**	**(22,363)**	**-**	**(22,363)**
Profit/(loss) before income taxes		**2,397**	**(16,179)**	**(13,782)**	**(6,905)**	**(2,176)**	**(9,081)**
Income tax (expense)/income	11	(15,341)	620	(14,721)	(3,195)	542	(2,653)
Profit/(loss) for the period		**(12,944)**	**(15,559)**	**(28,503)**	**(10,100)**	**(1,634)**	**(11,734)**
Attributable to:							
Owners of the Company				(28,531)			(10,434)
Non-controlling interests				28			(1,300)

* For 2017 comparability, 2016 Raw materials, cost for subcontracting and Other operating cost line have been adjusted.

Consolidated Statement of Comprehensive Income – three and nine months ended 30 September

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	**2016**	2017	**2016**
Profit/(loss) for the period	**(26)**	**134**	**(28,503)**	**(11,734)**
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations	(853)	(1,596)	(2,299)	(3,994)
Total comprehensive income/(loss) for the period, net of income tax	**(879)**	**(1,462)**	**(30,802)**	**(15,729)**
Attributable to:				
Owners of the Company	(733)	(1,574)	(30,549)	(14,409)
Non-controlling interests	(146)	110	(253)	(1,319)
Total comprehensive profit/(loss) for the period	(879)	(1,464)	(30,802)	(15,728)

Consolidated Balance Sheet

		AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
EUR'000	Note	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment		109,906	106,974
Intangible assets		7,507	9,216
Equity accounted investments		423	422
Other financial assets		3,578	2,036
Deferred income tax assets		9,579	10,400
Total non-current assets		**130,992**	**129,048**
Current assets			
Inventories		33,662	23,105
Trade and other receivables		63,386	64,562
Current income tax assets		4,284	4,179
Prepayments and accrued income		14,257	14,954
Cash and cash equivalents		47,990	53,295
Total current assets		**163,580**	**160,096**
TOTAL ASSETS		**294,572**	**289,144**
EQUITY			
Equity attributable to owners of the Company		(94,292)	(64,065)
Non-controlling interests		290	865
Total equity		**(94,002)**	**(63,200)**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	12	218,851	217,666
Employee benefits		4,827	4,872
Provisions	14	1,548	2,103
Deferred income tax liabilities		4,471	5,468
Total non-current liabilities		**229,697**	**230,109**
Current liabilities			
Loans and borrowings	12	7,791	3,295
Bank overdraft		-	1,894
Provisions	14	3,842	3,884
Current income tax liabilities		13,474	3,357
Trade and other payables		133,335	109,806
Derivative financial instruments		435	-
Total current liabilities		**158,877**	**122,236**
Total liabilities		**388,574**	**352,345**
TOTAL EQUITY AND LIABILITIES		**294,572**	**289,144**

Consolidated Statement of Cash Flows – three months ended 30 September

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER 2017	2016
Loss for the year	**(26)**	**134**
Adjustments for:		
Depreciation and impairment	4,471	6,617
Amortisation and impairment	1,065	2,009
Profit on sale of property, plant and equipment	(34)	(118)
Impairment loss on trade receivables	–	82
Net finance costs	5,354	6,112
Tax expense	2,469	1,222
Change in:		
Inventories	(4,196)	(6,725)
Trade and other receivables	3,326	14,600
Prepayments and accrued income	(583)	(39)
Trade and other payables	(1,254)	5,419
Provisions and employee benefits	(371)	(1,201)
Cash generated from operations	**10,222**	**28,112**
Interest received	382	102
Interest paid	(1,271)	(3,684)
Income tax paid	(2,695)	(1,215)
Net cash from operating activities	**6,638**	**23,314**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	269	64
Proceeds from long term loans receivable	–	(170)
New long term loans receivable granted	(508)	–
Acquisition of property, plant and equipment	(7,630)	(7,804)
Acquisition of intangible assets	(366)	(426)
Net cash used in investing activities	**(8,236)**	**(8,336)**
Cash flows from financing activities		
Payment of transaction costs related to loans and borrowings	(200)	(944)
Proceeds from borrowings	–	2,942
Repayment of borrowings	(210)	(17,076)
Payment of finance lease liabilities	(1,742)	(896)
Net cash from/(used in) financing activities	**(2,151)**	**(15,974)**
Net change in cash and cash equivalents	(3,749)	(995)
Cash and cash equivalents at beginning of period	51,732	9,440
Effect of exchange rate fluctuations on cash and cash equivalents	8	(866)
Cash and cash equivalents at end of period	**47,991**	**7,578**

* For 2017 comparability, 2016 Cash flows have been adjusted in line with 2016 Full Year Cash flow in the audited Annual report 2016.

Consolidated Statement of Cash Flows – nine months ended 30 September

	NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	**2017**	**2016**
Loss for the year	**(28,503)**	**(11,734)**
Adjustments for:		
Depreciation and impairment	17,782	19,830
Amortisation and impairment	3,470	5,721
Profit on sale of property, plant and equipment	(1,079)	(209)
Impairment loss on trade receivables	-	82
Net finance costs	17,016	21,685
Tax expense	14,721	2,653
Change in:		
Inventories	(10,845)	(10,110)
Trade and other receivables	152	41,474
Prepayments and accrued income	318	(3,317)
Trade and other payables	20,541	(1,000)
Provisions and employee benefits	(352)	(1,354)
Cash generated from operations	**33,221**	**63,721**
Interest received	417	131
Interest paid	(11,019)	(9,897)
Income tax paid	(5,015)	(2,685)
Net cash from operating activities	**17,604**	**51,269**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2,048	435
Proceeds from long term loans receivable	-	28
New long term loans receivable granted	(1,549)	-
Acquisition of property, plant and equipment	(15,949)	(14,475)
Acquisition of intangible assets	(1,764)	(606)
Dividends from equity-accounted investees	-	-
Net cash used in investing activities	**(17,214)**	**(14,619)**
Cash flows from financing activities		
Payment of transaction costs related to loans and borrowings	(394)	(2,072)
Proceeds from borrowings	6,413	2,942
Repayment of borrowings	(6,185)	(38,281)
Payment of finance lease liabilities	(3,370)	(2,591)
Net cash from/(used in) financing activities	**(3,536)**	**(40,002)**
Net change in cash and cash equivalents	(3,146)	(3,352)
Cash and cash equivalents at beginning of period	51,402	12,641
Effect of exchange rate fluctuations on cash and cash equivalents	(266)	(1,713)
Cash and cash equivalents at end of period	**47,989**	**7,576**

* For 2017 comparability, 2016 Cash flows have been adjusted in line with 2016 Full Year Cash flow in the audited Annual report 2016.

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					Non-controlling interest	
EUR'000	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-con-trolling interest	Total equity
Balance as at 1 January 2017	**-**	**106,979**	**(147,405)**	**(23,639)**	**(64,065)**	**865**	**(63,200)**
Reclassification	-	-	5,115	(4,794)	321	(321)	-
Loss for the period	-	-	-	(28,531)	(28,531)	28	(28,503)
Foreign currency translation differences – foreign operations; net of income tax	-	-	(2,018)	-	(2,018)	(281)	(2,299)
Total comprehensive loss for the year	**-**	**-**	**(2,018)**	**(28,531)**	**(30,549)**	**(253)**	**(30,802)**
Balance as at 30 September 2017	**-**	**106,979**	**(144,308)**	**(56,963)**	**(94,292)**	**290**	**(94,002)**

* Reclassification relates to the correction of opening balances for other reserves, retained earnings and non-controlling interest.

EUR'000	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2016	**-**	**36**	**(142,715)**	**(9,022)**	**(151,701)**	**436**	**(151,265)**
Profit/(loss) for the year	-	-	-	(14,670)	(14,670)	435	(14,236)
Other comprehensive income for the year:							
Gain on remeasurment of net defined benefit liability, net of income tax	-	-	-	53	53	-	53
Foreign currency translation differences - foreign operations; net of income tax	-	-	(4,691)	-	(4,691)	(7)	(4,697)
Total comprehensive loss for the year	**-**	**-**	**(4,691)**	**(14,617)**	**(19,308)**	**428**	**(18,879)**
Share premium contribution	-	106,943	-	-	106,943	-	106,943
Total transactions with owners, recognized directly in Equity	**-**	**106,943**	**-**	**-**	**106,943**	**-**	**106,943**
Balance as at 31 December 2016	**-**	**106,979**	**(147,405)**	**(23,639)**	**(64,065)**	**865**	**(63,200)**

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

Schoeller Allibert develops, produces and sells plastic returnable transport packaging solutions for large and medium sized companies on a local, regional and global level.

Schoeller Allibert Group B.V. was incorporated on 24 June 2015 in the Netherlands. The Company and its direct and indirect subsidiaries are collectively referred to as the 'Group', and individually as "Group entities". The address of its registered office is Taurusavenue 35, 2132 LS Hoofddorp, the Netherlands.

The Company is a subsidiary of Schoeller Allibert Participations B.V. ("SAP"), a company incorporated in the Netherlands. The ultimate parent is REMA Investments B.V., a company incorporated in the Netherlands that is indirectly owned for 75% by REMA Investments Coöperatief U.A., which in turn is owned by various independent private equity funds, ultimately 100% held by JP Morgan Chase; and indirectly for 25% by Schoeller Industries B.V., a company incorporated in the Netherlands that is active in supply chain systems.

2. Basis of Preparation

The interim financial information for the nine months ended 30 September 2017 has been prepared on a going concern basis and in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the audited Annual Report of Schoeller Allibert Group B.V. for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

3. Going concern

The economic situation in Europe, the main area in which the Group operates, is impacted by political uncertainties. The market confidence and investment are expected to increase in Continental Europe, but business investment in the UK is expected to suffer from uncertainty surrounding the exit process from the European Union and due to lower corporate margins.

The Group expects 2017 to show a growth in revenues compared to 2016. Schoeller Allibert also expects to benefit from the investment in and introduction of new products. Capital expenditure in 2017 is expected to be on a higher level compared to 2016 focusing on innovation (e.g. the lauch of a new IBC range), commencement of a new facility in Belgium and modernisation of the manufacturing footprint.

The Group incurred a net loss for the nine months ended 30 September 2017 of EUR 28,503 thousand and has a negative equity as at 30 September 2017 of EUR 94,002 thousand (32% of the Group's total assets). This condition might trigger questions in relation to the Group's ability to continue as a going concern and ability to realise its assets and discharge its liabilities in the normal course of business.

The board analyses the going concern assumption when preparing the condensed consolidated interim financial statements. These analyses take into account the condensed consolidated interim financial statements under review, financial budgets, capital needs, financial assets and commitments, loan agreements, available facilities and cash-generating assets of the Group, as well as the general economic conditions, prevailing and expected market conditions, the political climate and other significant sustainability matters. The board assessment of conditions include, but are not limited to:

- As at 30 September 2017 the Group was largely financed with EUR 210 million of publicly traded Senior Secured Notes that mature in 2021. Additionally, the Group had a revolving credit facility of EUR 30 million.

- Based on the budget and forecast, the Management has prepared an analysis of the projected cash flow for 12 months as from the date of these financial statements. This projected cash flow includes remedial and mitigating actions and shows that sufficient liquidity is available to ensure the Group is able to meet its obligations and fund its activities assuming a stable operating environment. Sufficient headroom has been built into both the cash flows as well as the EBITDA forecasts.

Based on the above mentioned facts, in particular the maturity profile of the debt and the sensitivity analysis of both forecasted EBITDA and cash flows, the Management believes that the application of the going concern assumption for these consolidated condensed consolidated financial statements is appropriate.

4. Auditor involvement

The content of this interim financial report has not been audited by our external auditor PricewaterhouseCoopers Accountants N.V.

5. Accounting policies

The accounting policies applied are consistent with those applied in the audited Annual Report 2016 of Schoeller Allibert Group B.V.

6. Critical accounting estimates and judgments

The preparation of condensed consolidated interim financial statements in accordance with generally accepted accounting principles under IAS 34 requires the Group to make estimates, judgments and assumptions that may affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in the condensed consolidated interim financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. Actual results may differ significantly from these estimates, the effect of which is recognized in the period in which the facts that give rise to the revision become known.

In preparing these Quarter Three condensed consolidated interim financial statements, the significant judgments made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same (being income taxes, employee benefits, provisions and contingent liabilities and estimated useful lives and residual values) as those that applied to the audited Annual Report 2016 of Schoeller Allibert Group B.V.

7. Financial risk management

The Group's operations and financial results are subject to various risks and uncertainties that could adversely affect its business, financial position, results of operations and cash flows. The Group's risk management objectives and policies are consistent with those disclosed in the audited Annual Report 2016 of Schoeller Allibert Group B.V.

The Group operates internationally and generates foreign currency exchange risks arising from future commercial transactions, recognized assets and liabilities, investments and divestments in foreign currencies other than the Euro, the Group's reporting currency. The main exchange rates are shown below:

	2017			2016		
	September closing	Three Month Average	Nine Month Average	September closing	Three Month Average	Nine Month Average
British pound	0.8818	0.8935	0.8717	0.8616	0.8455	0.7986
US dollar	1.1806	1.1690	1.1124	1.1165	1.1138	1.1125
Swiss franc	1.1457	1.1294	1.0959	1.0885	1.0897	1.0951

Revenues and expenses are translated to Euro at the average exchange rate for the applicable period for inclusion in the condensed consolidated interim financial statements. The business generates substantial revenues, expenses and liabilities in jurisdictions outside the Euro zone.

For the three months ended 30 September 2017, approximately 65% of revenue before adjusting items was generated by operations inside the Euro zone. Consequently the translation risk of non-Euro results to the Euro is the most significant currency risk. Currency fluctuations of especially the US dollar and British pound could materially affect the consolidated Group results. Translation risks of non-Euro equity positions in the Group are not hedged.

The Group's companies are also exposed to foreign currency transactional risks on revenues and expenses that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group tries to mitigate the risks of transactional currency exposures by natural hedges. The Group may use forward exchange contracts or currency swaps to hedge forecasted foreign exchange cash flow transactions.

8. Segment Information

The Board of Directors, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

The Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Board of Directors considers the business from both a geographic and product perspective. Geographically, the Management considers the production and sale of Returnable Transport Packaging ("RTP") products' performance per region, also called the Manufacturing business. From a product perspective, the Management separately considers the Services activities of the Group. The Group's manufacturing activities represent the primary business of the Group. As the operating segments of the Services business and the individual operating segments are not meeting the aggregation criteria or individual reporting thresholds, these are all reported in "All Other Segments".

Performance of operating segments is reported to the Board of Directors on a lower regional basis but for financial statement purposes, regions are aggregated to the following reportable segments:

- *Northern Europe*: the Netherlands, Belgium, Germany, Austria and Switzerland.
- *Southern Europe*: France, Italy, Spain and Portugal.
- *UK and rest of Europe*: the United Kingdom, Czech Republic, Romania, Slovakia, Hungary, Poland, Serbia, Turkey, Sweden, Finland, Latvia, Ukraine and Russia.
- *United States of America (USA):* the USA.
- *All Other Segments*: services business and international businesses, which are comprised of the sale of moulds and RTP products into emerging markets, and Head Office.

The Board of Directors assesses the performance of the operating segments based on a measure of EBITDA before adjusting items. This measurement basis excludes the effects of non-recurring items (separately disclosed as adjusting items, see note 9).

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of profit or loss.

Due to the fact that no balance sheet measures per operating segment are included in the information regularly reviewed by the Board of Directors, no measures on assets per segment are disclosed in the Quarter Three condensed consolidated interim financial statements.

The segment results for the three months ended 30 September 2017 and 2016 are as follows:

							THREE MONTHS ENDED 30 SEPTEMBER 2017
EUR'000	Northern Europe	Southern Europe	UK and Rest of Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	57,543	34,079	30,127	5,348	23,438	(18,799)	131,737
Inter-segment revenue	(4,675)	(5,966)	(5,062)	-	(3,096)	18,799	-
Total revenue from external customers	**52,868**	**28,113**	**25,065**	**5,348**	**20,343**	**(0)**	**131,737**
EBITDA before adjusting items	**6,208**	**3,128**	**3,368**	**(1,306)**	**4,294**	**-**	**15,691**
Adjusting items	(372)	(249)	236	(17)	(1,685)	-	(2,087)
Depreciation	(2,183)	(766)	(890)	(1,523)	891	-	(4,471)
Amortisation	(4)	0	(2)	(8)	(1,053)	-	(1,066)
Operating result	**3,649**	**2,112**	**2,712**	**(2,853)**	**2,446**	**-**	**8,067**
Share in result of equity accounted investments							(11)
Net finance cost							(5,611)
Income tax income							(2,469)
Loss for the period							**(26)**

*THREE MONTHS ENDED 30 SEPTEMBER 2016

EUR'000	Northern Europe	Southern Europe	UK and Rest of Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	50,488	35,434	28,816	13,533	18,272	(18,586)	127,958
Inter-segment revenue	(4,255)	(7,363)	(4,799)	-	(2,170)	18,586	-
Total revenue from external customers	46,233	28,071	24,017	13,533	**16,102**	-	127,958
EBITDA before adjusting items	**4,980**	**3,040**	**3,223**	**1,909**	**3,184**	**-**	16,334
Adjusting items	212	(364)	(89)	(104)	185	-	(160)
Depreciation	(2,028)	(806)	(722)	(2,581)	(492)	-	(6,629)
Amortisation	(128)	-	(3)	(12)	(1,865)	-	(2,009)
Operating result	**3,035**	**1,870**	**2,409**	**(788)**	**1,011**	**-**	**7,538**
Share in result of equity accounted investments							-
Net finance cost							(6,183)
Income tax income							(1,222)
Profit for the period							**132**

* For 2017 comparability, 2016 Segment results has been adjusted for the additional allocation of Head Office cost.

The segment results for the nine months ended 30 September 2017 and 2016 are as follows:

NINE MONTHS ENDED 30 SEPTEMBER 2017

EUR'000	Northern Europe	Southern Europe	UK and Rest of Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	147,553	103,289	84,404	27,721	63,130	(49,487)	376,609
Inter-segment revenue	(12,962)	(16,179)	(12,891)	-	(7,456)	49,487	-
Total revenue from external customers	**134,591**	**87,110**	**71,513**	**27,721**	**55,674**	**(0)**	**376,609**
					-	-	
EBITDA before adjusting items	**12,265**	**8,273**	**6,806**	**(398)**	**14,216**	**-**	**41,163**
Adjusting items	(1,604)	(751)	(201)	(9,950)	(3,673)	-	(16,179)
Depreciation	(6,518)	(2,241)	(2,591)	(7,380)	948	-	(17,782)
Amortisation	(14)	0	(7)	(32)	(3,417)	-	(3,470)
Operating result	**4,129**	**5,282**	**4,008**	**(17,761)**	**8,073**	**-**	**3,732**
Share in result of equity accounted investments							(65)
Net finance cost							(17,448)
Income tax income							(14,721)
Loss for the period							**(28,503)**

NINE MONTHS ENDED 30 SEPTEMBER 2016

EUR'000	Northern Europe	Southern Europe	UK and Rest of Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	154,471	104,720	75,145	33,329	58,860	(48,920)	377,605
Inter-segment revenue	(14,274)	(19,907)	(9,437)	-	(5,303)	48,920	-
Total revenue from external customers	140,197	84,813	65,708	33,329	**53,557**	**-**	377,605
					-	-	
EBITDA before adjusting items	**16,309**	**8,052**	**5,449**	**2,913**	**8,289**	**-**	41,010
Adjusting items	(243)	(1,618)	(277)	(152)	114	-	(2,176)
Depreciation	(5,991)	(2,334)	(2,005)	(7,844)	(1,657)	-	(19,831)
Amortisation	(147)	-	(12)	(36)	(5,526)	-	(5,721)
Operating result	**9,928**	**4,100**	**3,155**	**(5,120)**	**1,220**	**-**	**13,284**
Share in result of equity accounted investments							-
Net finance cost							(22,363)
Income tax income							(2,653)
Loss for the period							**(11,734)**

* For 2017 comparability, 2016 Segment results has been adjusted for the additional allocation of Head Office cost.

9. Adjusting items

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	2016	2017	2016
Revenue	146	-	10,892	-
Other income	(4)	-	(4)	-
Employee benefits	149	377	1,851	1,756
Other operating costs	1,798	(218)	3,440	420
Total adjusting expenses/(income)	**2,088**	**159**	**16,179**	**2,176**

The adjusting items for the nine months ended 30 September 2017 include the customer settlement (EUR 9,934 thousand). The amount was disclosed as a contingent liability in the Annual report 2016, as the parties had agreed to put the matter forward to an Arbitration Court for resolution. However, in June 2017, following successful settlement discussions with the customer, Schoeller Allibert agreed not to proceed with arbitration and the Company will make a payment of USD 11.0 million to the customer in October 2017.

Adjusting items for the three months ended 30 September 2017 relate to non-recurring items arising from:

- EUR 146 thousand related to the customer dispute in the pooling sector;
- EUR 149 thousand of employee benefits concerning severance costs resulting from restructuring activities;
- EUR 894 thousand related mostly to other restructuring activities;
- EUR 899 thousand fees related to fees and due diligence activities.

Adjusting items for three months ended 30 September 2016 relate to non-recurring items arising from:

- EUR 377 thousand of employee benefits concerning severance costs resulting from restructuring activities;
- EUR 707 thousand income related to the release of the provision for customer claim;
- EUR 925 thousand of legal fees and merger, acquisition and integration costs.

10. Net finance cost

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2017	2016	2017	2016
Interest income on loans and receivables	7	102	42	131
Net foreign exchange gain	375	-	375	-
Finance income	**382**	**102**	**417**	**131**
Interest expense on borrowings	(4,622)	(6,801)	(14,643)	(20,848)
Amortisation deferred financing fees	(438)	(381)	(1,302)	(1,221)
Net foreign exchange (loss)	1	892	-	(213)
Other financial expenses	(945)	5	(1,985)	(212)
Finance expense	**(6,004)**	**(6,285)**	**(17,930)**	**(22,494)**
Net finance cost	**(5,623)**	**(6,183)**	**(17,513)**	**(22,363)**

Net finance expense for the three months ended 30 September 2017 was EUR 5,623 thousand (expense for the three months ended 30 September 2016 : EUR 6,183 thousand). This decrease was primarily due to lower interest cost amounting to EUR 4,622 thousand for the three months ended 30 September 2017 (for the three months ended 30 September 2016 interest amounted to: EUR 6,801 thousand), partially offset by higher financial result and lower foreign exchange gains. Lower interest cost is driven by the optimisation of the Company's capital structure, following the refinancing of the Company in October 2016.

Interest expense on borrowing for three and nine months ended 30 September 2017 includes EUR 992 thousand interest related to the lost Swedish tax case.

The net foreign exchange results are mainly attributable to the fluctuations of the Euro against the US dollar, British pound, Swiss franc and Swedish krona.

11. Income tax expense

Income tax expense/income is recognized based on management's estimate of the average annual income tax rate expected for the full financial year. The total income tax expense for the nine months ended 30 September 2017 amounted EUR 14,721 thousand (nine months ended 30 September 2016 income tax expense: EUR 2,653 thousand).

On 16 June 2017, the Group lost its long running tax case in Sweden before the Administrative Court of Appeal. The case goes back to an acquisition structure used in 2005 in Sweden which at the time was accepted by the Swedish authorities. As a result, the Company has to pay the issued reassessments for the tax years 2007-2013, resulting in an approximate cash tax outflow including penalties and interest of SEK 129.3 million (EUR 13.5 million). Schoeller Allibert has filed a request to appeal the case in front of the Supreme Court of Sweden. Whether or not this request to appeal will be granted is yet uncertain, and in any case, it will not delay the Company's payment obligation. The first tranche was paid to the Swedish tax authorities in August. As of 30 September 2017, the Company had EUR 10,901 thousand as a current income tax liability and EUR 884 thousand as an interest accrued related to the lost Swedish tax case.

12. Loans and borrowings

The carrying amounts of loans and borrowings are as follows:

	AS AT 30 SEPTEMBER			AS AT 31 DECEMBER		
			2017			2016
EUR'000	Current	Non-current	Total	Current	Non-current	Total
Senior secured note	-	210,000	210,000	-	210,000	210,000
Other credit institutions	4,365	2,500	6,865	1,547	5,346	6,893
Finance lease liabilities	3,870	12,931	16,801	3,390	8,459	11,849
Other liabilities	-	-	-	-	152	152
Deferred financing costs	(444)	(6,580)	(7,024)	(1,641)	(6,291)	(7,933)
Total loans and borrowings	**7,791**	**218,851**	**226,642**	**3,296**	**217,666**	**220,962**

Movements during the period
As of 30 September 2017, the Group was financed via various sources of financing: Senior Secured Notes, other loans, non-recourse factoring arrangements, finance leases and a revolving credit facility.

Total loans and borrowings increased by EUR 5,680 thousand to EUR 226,642 thousand, mainly due to new loans granted to finance the fixed assets, as well as lower deferred financing costs, offset partially by the repayments of loans and finance leases.

As at 30 September 2017, the Group had one revolving credit facility of EUR 30 million (31 December 2016: EUR 30 million). The unused part of the facility as at 30 September 2017 amounted to EUR 18.5 million (31 December 2016: EUR 24.1 million).

13. Commitments

Operating lease commitments

The Group leases various offices. factories and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The land and buildings leases were entered into many years ago as combined leases of land and buildings. The Group determined that the land and building elements of the warehouse and factory leases are operating leases. The rent paid to the landlord is increased to market rent at regular intervals, and the Group does not participate in the residual value of the land and buildings. As a result it was determined that substantially all the risks and rewards of the land and buildings are with the landlord.

The Group also leases various vehicles and machinery under cancellable operating lease agreements.

During the nine months ended 30 September 2017 an amount of EUR 8,298 thousand was recognized as an expense in profit or loss in respect of operating leases (nine months ended 30 September 2016: EUR 7,979 thousand).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
EUR'000	**2017**	**2016**
By date of commitments:		
Less than 1 year	8,014	8,956
1 - 5 years	18,337	22,657
> 5 years	3,761	6,316
Total	**30,111**	**37,930**
By nature of commitments:		
Land and buildings	25,699	30,853
Other	4,412	7,076
Total	**30,111**	**37,930**

14. Provisions

	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
EUR'000	2017	2016
Restructuring	3,351	3,261
Claims	2,038	2,725
Total Provisions	**5,390**	**5,986**

Restructuring
The restructuring provision reflects the directors' best estimates of the cost to fulfil internally announced plans. These costs are directly related to the plans, and include the cost of employee settlements and plant closures. It does not include any amount for the future performance of the on-going businesses concerned.

Claims
The provision for claims mainly consist of the provision for obligations related to some minor claims related to disputes with personnel as well as a claim from a former supplier for outstanding invoices for delivery of goods, shortfall and tooling fees, inventory and interest.

15. Contingencies

Dutch fiscal unity
The wholly owned subsidiaries established in The Netherlands constitute a tax group for the purpose of corporate income tax together with the shareholder Schoeller Allibert Participations B.V. As a consequence, each company in the tax group is jointly and severally liable for tax liabilities of the tax group as a whole. The Group recognises the corporate income tax as if it is solely responsible for its own corporate income tax.

Guarantees to Dutch Group companies
The Group guarantees the liabilities of its Dutch group companies in accordance with the provisions of article 403, paragraph 1, Book 2, Part 9.

16. Related party transactions

There have been no changes in the nature of the related party transactions in the nine months ended 30 September 2017 as compared to the year ended 31 December 2016.

17. Seasonality of Operations

Although the Group's business is not significantly impacted by seasonality, there is a limited impact in line with the Group's end markets. For example, in the latter part of the year, the Group has higher sales to the retail industry in preparation of the holiday season and before the harvest season, the Group has higher sales to the agriculture industry.

18. Fair value of financial instruments

The principles used by the Management to measure fair value of financial assets and liabilities as at 31 December 2016 are disclosed in in Annual report Schoeller Allibert Group B.V. The fair values of financial assets and liabilities as at 30 September 2017 and 31 December 2016 are as follows.

	AS AT 30 SEPTEMBER			AS AT 31 DECEMBER		
EUR'000			2017			2016
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Financial assets						
Long-term receivables	952	952	2	976	976	2
Long-term receivables related parties	2,580	2,580	2	1,014	1,014	2
Trade and other receivables	63,386	63,386	2	64,562	64,562	2
Cash and cash equivalents	47,990	47,990	1	53,295	53,295	1

	AS AT 30 SEPTEMBER			AS AT 31 DECEMBER		
EUR'000			2017			2016
Financial liabilities	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Senior secured note	202,976	226,328	1	202,068	218,967	1
Other credit institutions	6,865	6,865	2	6,893	6,893	2
Finance lease liabilities	16,801	16,801	2	11,849	11,849	2
Other liabilities	-	-	2	152	152	2
Loans and payables related parties	361	361	2	395	395	2
Bank overdrafts	-	-	2	1,894	1,894	2
Trade payables and other accrued items	132,974	132,974	2	109,412	109,412	2
Derivative financial instruments	435	435	1	-	-	1

19. Events after the balance sheet date

There have been no material events subsequent to the period end which require additional disclosure.

Hoofddorp, November 2017

Schoeller Allibert

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