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

Condensed consolidated interim financial statements for the 9 months ended 30 June 2014 (unaudited)

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1 Disclaimer

These interim financial statements do not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for, underwrite or otherwise acquire, any securities of Selecta Group B.V. (the Company and, together with its subsidiaries, the Selecta Group). These interim financial statements do not contain all of the information that is or may be material to an investor or a potential investor.

Certain statements in these interim financial statements are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the automotive industry, intense competition in the markets in which the Selecta Group operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting the Selecta Group's markets, and other factors beyond the control of the Selecta Group). The Selecta Group is under no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Statements contained in this report regarding past trends or events should not be taken as a representation that such trends or events will continue in the future.

2 Operating and Financial Review

2.1 Presentation of financial information

The interim 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.

2.2 Operating review

In Q3 the Group has continued to experience challenging trading conditions in most of its markets, driven by the continued economic uncertainty and the stop/start recovery seen across Europe.

Revenue declined by 6.3% in the third quarter of 2014 compared to the third quarter of 2013, in line with the previous six months performance, due to the loss of the Total petrol station business in Germany as of 1 July 2013 and the impact of the exit of unprofitable contracts. Whilst same machine sales have started to stabilise in most of our markets, the economic situation in France has led to continued same machine sales decline in our French business. Year to date sales are now 6.6% below prior year.

Installations of refurbished machines have begun at SNCF sites in France, whilst installation of the new generation of public vending machines will commence in the first quarter of financial year 2015. Initial tests with the new generation of machine have been undertaken and results have been positive.

The Group has now installed over 150 Starbucks coffee corners including 11 "On the Go" in convenience retail locations. Negotiations are currently ongoing with two separate petrol station chains for multiple installation of "On the Go" coffee corners in some of their retail locations.

The rollout of the Group's table top hot drink machine "Ferrara" continues apace, and by the end of Q3 over 3'000 machines have been rolled out, primarily in region North. As a result sales in region

North have shown a quarterly year on year increase for the first time this year, up 3.2% against the same quarter last year.

The “Mirante” machine, our new free standing hot drink machine based on the same modular design as the Ferrara and incorporating the same technological advances such as touch screen, will be officially launched in Switzerland in September 2014. The market in Switzerland is very reliant on free standing machines and the launch of this entirely new state of the art machine will provide our Swiss business with a competitive edge both for new business opportunities as well as retenders and reinvestments in our existing client base.

Adjusted EBITDA in the third quarter was 15.3% below prior year driven by the gross profit impact of the sales shortfall. In addition the Group has moved from using finance leases for its vehicle fleet in France to operating leases. This results in costs moving from depreciation to leasing costs, thereby reducing EBITDA by € 0.8m per quarter.

The Group continues to implement cost savings measures where appropriate, whilst balancing against the investment required into the sales force to drive the Group’s strategic initiatives. Employee benefits expenses were 3.3% and other operating expenses 8.1% below last year.

Year to date adjusted EBITDA is 2.5% below prior year driven by the impact of the lower sales offset by the overhead savings achieved.

The Group is reviewing its cost base on a continuous basis and adapts to the current trading environment. Further restructuring measures are in the process of being defined to address the continued same machines sale decline in France.

2.3 Financial review

Financial summary

	3 months ended			Year to date		
	Jun 14 €m	**Jun 13 €m**	**Change %**	**Jun 14 €m**	**Jun 13 €m**	**Change %**
Revenue	**174.8**	**186.5**	**-6.3%**	**523.8**	**560.7**	**-6.6%**
Materials and consumables used	(54.6)	(56.6)	3.6%	(164.2)	(172.6)	4.9%
Gross profit	**120.2**	**129.9**	**-7.5%**	**359.6**	**388.1**	**-7.4%**
% margin	*68.8%*	*69.6%*	*-0.9 pts*	*68.6%*	*69.2%*	*-0.6 pts*
Employee benefits expense	(54.8)	(56.6)	3.3%	(165.1)	(176.3)	6.4%
Other operating expenses	(38.0)	(41.4)	8.1%	(112.8)	(129.0)	12.6%
EBITDA	**27.4**	**31.9**	**-14.0%**	**81.7**	**82.8**	**-1.3%**
% margin	*15.7%*	*17.1%*	*-1.4 pts*	*15.6%*	*14.8%*	*0.8 pts*
Adjustments	3.5	4.6	24.3%	9.7	10.9	11.8%
Adjusted EBITDA	**30.9**	**36.5**	**-15.3%**	**91.4**	**93.7**	**-2.5%**
% margin	*17.7%*	*19.6%*	*-1.9 pts*	*17.4%*	*16.7%*	*0.7 pts*
Depreciation & amortisation	(21.0)	(25.2)	16.6%	(63.6)	(71.9)	11.4%
% revenue	*-12.0%*	*-13.5%*	*1.5 pts*	*-12.1%*	*-12.8%*	*0.7 pts*

Revenue

The following table sets out the revenue development by region in the 3 months ended and year to date June 2014 and 2013.

	3 months ended			Year to date		
	Jun 14	**Jun 13**	**Change**	**Jun 14**	**Jun 13**	**Change**
	€m	**€m**	**%**	**€m**	**€m**	**%**
France	45.3	50.5	-10.3%	137.9	147.9	-6.8%
UK	16.1	18.3	-12.3%	51.1	58.4	-12.5%
Central	72.8	76.8	-5.2%	217.3	231.1	-6.0%
North	44.1	42.7	3.2%	129.0	129.6	-0.4%
Inter-company eliminations	(3.5)	(1.8)		(11.5)	(6.3)	
Group	**174.8**	**186.5**	**-6.3%**	**523.8**	**560.7**	**-6.6%**

France

Revenue decreased by 10.3% in Q3 2014 to € 45.3 million compared to prior year (2013: € 50.5 million). In private vending the continued uncertain economic environment in France is driving lower same machine sales whilst revenue in public vending was weak due in part to our decision to postpone investments in our railway business pending the outcome of the SNCF tender which we successfully won in March 2014. Installations of refurbished machines at SNCF are now being implemented in Q4, whilst installations of our new generation public vending machine will commence in the first quarter of the next financial year.

UK

Revenue of € 16.1 million in Q3 2014 was 12.3% lower than last year (2013: € 18.3 million) due to the de-installation of approximately 2,800 unprofitable machines from client sites and reorganisation measures taken to return the region to profitability.

Central

Revenue decreased by 5.2% to € 72.8 million in Q3 2014 compared to prior year (2013: € 76.8 million). The decline was due to the exit of the Total petrol station business in Germany between July and September 2013, which had previously contributed approximately € 3.5 million sales per quarter.

North

Revenue increased by 3.2% to € 44.1 million in Q3 2014 compared to prior year (2013: € 42.7 million). The increase is largely due to the rollout of the Group’s new Ferrara table top coffee machine which has been successfully launched in the Nordic market with over 3’000 machines rolled out to date. New business gains are increasing due to the new machine, whilst the sales uplift on reinvestments using the Ferrara machine are also contributing to an improvement in same machine sales.

Gross profit

Gross profit decreased by 7.5% to € 120.2 million in Q3 (2013: € 129.9 million) primarily driven by the overall decline in revenue. Gross margin decreased slightly to 68.8% for the quarter (2013: 69.6%). The decrease is primarily a result of changes in the business mix and, in particular, the unsuccessful re tender for the Total contract in Germany which had a high gross margin (and high associated vending rents recorded in overheads).

Employee benefits expense

Employee benefits expense of € 54.8 million in the quarter was 3.3% lower than prior year (2013: € 56.6 million) due to a reduction in the number of full time employees in the Group resulting from various reorganization programs implemented, in particular the corresponding headcount reduction in the United Kingdom in connection with the de installation of approximately 2,800 unprofitable machines from client sites and the loss of the Total contract in Germany. At 30 September 2014 the Group had 4’466 FTE’s, 148 less than at 30 September 2013 (2013: 4’614).

Other operating expenses

Other operating expenses decreased by 8.1% to € 38.0 million in the quarter (2013: € 41.4 million) driven primarily by lower vending rents paid due to the lower revenue base.

Depreciation, amortisation and impairment expense

Depreciation, amortisation and impairment expense decreased by 16.6% to € 21.0 million in Q3 (2013: € 25.2 million) as a result of lower depreciation charges resulting from the lower capex spend in recent years, as well as impairment charges in respect of the machines withdrawn in the UK in the prior year.

Adjustments

Adjustments in respect of one off items were € 3.5 million in the quarter, 24.3% lower than in prior year (2013: € 4.6 million) due to lower restructuring expenses incurred.

Adjusted EBITDA

The following table sets out the adjusted EBITDA by region in the 3 months ended and year to date June 2014 and 2013.

	3 months ended			**Year to date**		
	Jun 14 €m	**Jun 13 €m**	**Change %**	**Jun 14 €m**	**Jun 13 €m**	**Change %**
France	5.0	7.9	-36.0%	16.1	20.2	-20.2%
UK	1.2	1.4	-15.9%	4.1	0.8	413.4%
Central	18.4	18.9	-2.9%	55.4	55.0	0.6%
North	9.4	9.9	-5.3%	25.7	29.0	-11.3%
HQ	(3.1)	(1.6)	-91.4%	(9.9)	(11.3)	12.6%
Group	**30.9**	**36.5**	**-15.3%**	**91.4**	**93.7**	**-2.5%**

France

Adjusted EBITDA of € 5.0 million in the quarter was 36.0% below prior year (2013: € 7.9 million) driven by the revenue shortfall.

UK

Adjusted EBITDA of € 1.2 million in the quarter was 15.9% below prior year (2013: € 1.4 million) due to the gross margin impact of the sales shortfall offset to a certain extent by lower overhead costs incurred as a result of the restructuring measures implemented last year.

Central

Adjusted EBITDA of € 18.4 million in the quarter was 2.9% below prior year (2013: € 18.9 million). The impact of the sales shortfall of -5.2% driven by the loss of the Total business in Germany is partially offset by the lower vending rents payable and the employee benefits expense savings arising from the subsequent reorganisation.

North

Adjusted EBITDA of € 9.4 million in the quarter was 5.3% below prior year (2013: € 9.9 million). Additional costs related to the roll out of the new Ferrara machine (temporary staff required to undertake the roll out and increased logistics costs) have resulted in higher overheads than prior year in the quarter.

Cash flow

	3 months ended			Year to date		
	Jun 14 €m	**Jun 13 €m**	**Change %**	**Jun 14 €m**	**Jun 13 €m**	**Change %**
Net cash generated from operating activities	24.8	43.3	-42.8%	63.9	77.3	-17.4%
Net cash used in investing activities	(12.4)	(8.3)	-49.3%	(34.1)	(25.6)	-32.9%
Free cash flow	**12.4**	**35.0**	**-64.6%**	**29.8**	**51.7**	**-42.3%**
Proceeds from borrowings*	771.7	-		771.7	-	
Repayment of borrowings	(816.3)	-		(819.1)	(9.3)	
Interest paid	(5.7)	(0.1)		(19.5)	(11.3)	
Other	(2.2)	0.2		(2.3)	0.4	
Net cash used in financing activities	**(52.5)**	**0.1**		**(74.5)**	**(20.2)**	
Net change in cash and cash equivalents	**(40.1)**	**35.1**		**(44.7)**	**31.5**	

**Net of refinancing costs paid to date*

Net cash generated from operating activities of € 24.8 million in the quarter was 42.8% below last year (2013: € 43.3 million) due to the lower EBITDA as well as working capital timing differences which are expected to reverse to a significant extent in the last quarter of the year.

Net cash used in investing activities increased from by 49.3% to € 12.4 million in Q3 (2013: € 8.3 million). Net capital expenditure increased by 43.1% to € 11.4 million (2013: € 8.0 million) reflecting the increased investment the Group has been making in 2014, particularly for the rollout of the new machine generation and for Starbucks.

As a result free cash flow in Q3 was € 12.4 million, 64.6% below last year (2013: € 35.0 million). Year to date free cash flow of € 29.8 million is 42.3% below prior year (2013: € 51.7 million).

Net cash outflow from financing activities of € 52.5 million reflects the refinancing of the Group in June, including the repayment of the existing borrowings (excluding finance lease liabilities), the payment of interest on the old borrowings in the quarter, and the proceeds from the new financing net of the refinancing costs paid to date.

Net change in cash and cash equivalents reflects the utilisation of the excess cash balances in the Group to fund part of the refinancing of the existing borrowings.

Net debt

The following table sets out the group's net debt at 30 June 2014.

	Jun 14 €m
Cash at bank	**45.5**
Revolving credit facility	20.7
Senior notes	551.8
PIK loan	220.7
Accrued interest	1.0
Finance leases	14.6
Total debt	**808.8**
Net debt	**763.3**

Note that 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

During the quarter the Group has refinanced its existing borrowings through the issuance of a € 350 million 6.5% senior secured note and a CHF 245 million 6.5% senior secured note. 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.

As part of the refinancing package the Group has entered into a € 50 million super senior revolving credit facility. € 20.5 million of this facility is drawn as at 30 June 2014.

2.4 Other material developments

There have been no other material developments in respect of the Group in the quarter ended 30 June 2014 or since this date and up to the date of approval of these Interim Financial Statements.

3 Consolidated Financial Statements

4.1 Consolidated statement of profit or loss

	Notes	*9 months ended 30 June 2014 € (000's)*	*9 months ended 30 June 2013 € (000's)*
Revenue	6	523'785	560'736
Materials and consumables used		(164'225)	(172'597)
Employee benefits expense		(165'108)	(176'257)
Depreciation, amortisation and impairment expense		(63'623)	(71'850)
Other operating expenses		(112'758)	(128'996)
Profit before interest and income tax		**18'071**	**11'036**
Finance costs		(28'657)	(19'968)
Finance income		83	254
Loss before income tax		**(10'503)**	**(8'678)**
Income taxes		744	769
Loss for the period		**(9'759)**	**(7'909)**

4.2 Consolidated statement of comprehensive income or loss

	9 months ended 30 June 2014 € (000's)	*9 months ended 30 June 2013 € (000's)*
Net profit (loss) for the period	**(9'759)**	**(7'909)**
Actuarial gain/(loss) on post-employment benefit obligations	1'002	2'328
Income tax relating to post employment benefit obligations	(265)	(617)
Items that will not be reclassified to the consolidated statement of profit or loss	**737**	**1'711**
Foreign exchange gain/(loss)	(816)	10'566
Items that are or may subsequently be reclassified to the consolidated statement of profit or loss	**(816)**	**10'566**
Net profit/(loss) recognised in other comprehensive income	**(79)**	**12'277**
Total comprehensive income/(loss)	**(9'838)**	**4'368**

4.3 Consolidated balance sheet

	Notes	30 June 2014 € (000's)	30 September 2013 as restated* € (000's)	1 October 2012 as restated* € (000's)
Assets				
Non-current assets				
Property, plant and equipment	7	162'567	166'780	197'500
Goodwill	8	483'128	483'128	483'128
Other intangible assets	9	481'316	498'411	526'123
Deferred income tax assets		11'945	12'052	7'661
Non-current financial assets		2'213	2'305	2'478
Total non-current assets		**1'141'169**	**1'162'676**	**1'216'890**
Current assets				
Inventories		41'440	36'435	36'191
Trade receivables		39'714	38'226	43'151
Other current assets		34'415	31'184	31'511
Cash and cash equivalents		50'747	95'498	61'622
Total current assets		**166'316**	**201'343**	**172'475**
Total assets		**1'307'485**	**1'364'019**	**1'389'365**
Equity and liabilities				
Equity				
Issued capital	11	278'644	278'644	278'644
Additional paid-in capital	11	220'529	220'529	220'529
Currency translation reserve		(87'475)	(86'659)	(95'091)
Retained earnings		(204'723)	(195'701)	(198'513)
Equity attributable to equity holders of the parent		**206'975**	**216'813**	**205'569**
Total equity		**206'975**	**216'813**	**205'569**
Non-current liabilities				
Borrowings	10/12	762'653	800'289	822'490
Deferred income tax liabilities		134'901	138'878	146'719
Non-current finance lease liabilities		8'866	5'687	4'090
Retirement benefit obligations		14'954	14'221	20'748
Provisions		6'728	6'605	8'446
Total non-current liabilities		**928'102**	**965'680**	**1'002'493**
Current liabilities				
Borrowings	10/12	-	18'414	20'720
Trade payables		75'541	76'752	86'412
Current finance lease liabilities		5'775	2'308	1'444
Other liabilities		87'290	78'044	68'361
Provisions		848	1'611	-
Current income tax liabilities		2'954	4'397	4'366
Total current liabilities		**172'408**	**181'526**	**181'303**
Total liabilities		**1'100'510**	**1'147'206**	**1'183'796**
Total equity and liabilities		**1'307'485**	**1'364'019**	**1'389'365**

*See Note 5.8

4.4 Statement of changes in consolidated equity

	Share capital € (000's)	*Share premium € (000's)*	*Additional paid-in capital € (000's)*	*Total issued capital € (000's)*	*Currency translation reserve € (000's)*	*Retained earnings € (000's)*	*Equity attribute-able to equity holders of the parent € (000's)*	*Total equity € (000's)*
Balance at 30 September 2012 as previously reported	**187**	**278'457**	**220'529**	**499'173**	**(95'091)**	**(199'552)**	**204'530**	**204'530**
Impact of restatement*			-	-	-	1'039	1'039	1'039
Balance at 1 October 2012 as restated*	**187**	**278'457**	**220'529**	**499'173**	**(95'091)**	**(198'513)**	**205'569**	**205'569**
Other comprehensive income	-	-	-	-	10'566	1'711	12'277	12'277
Net profit/(loss)	-	-	-	-	-	(7'909)	(7'909)	(7'909)
Total comprehensive income	-	-	-	-	*10'566*	*(6'197)*	*4'368*	*4'368*
Balance at 30 June 2013	**187**	**278'457**	**220'529**	**499'173**	**(84'525)**	**(204'710)**	**209'937**	**209'937**
Balance at 30 September 2013 as reported	**187**	**278'457**	**220'529**	**499'173**	**(86'659)**	**(196'562)**	**215'952**	**215'952**
Impact of restatement*			-	-	-	861	861	861
Balance at 30 September 2013 as restated	**187**	**278'457**	**220'529**	**499'173**	**(86'659)**	**(195'701)**	**216'813**	**216'813**
Other comprehensive income	-	-	-	-	(816)	737	(79)	(79)
Net profit/(loss)	-	-	-	-	-	(9'759)	(9'759)	(9'759)
Total comprehensive income	-	-	-	-	*(816)*	*(9'022)*	*(9'838)*	*(9'838)*
Balance at 30 June 2014	**187**	**278'457**	**220'529**	**499'173**	**(87'475)**	**(204'723)**	**206'975**	**206'975**

*See Note 5.8

4.5 Consolidated cash flow statement

	Notes	9 months ended 30 June 2014 € (000's)	9 months ended 30 June 2013 € (000's)
Cash flows from operating activities			
Net loss before income tax		(10'503)	(8'678)
Depreciation, amortization and impairment		63'626	71'850
(Profit) on disposal of property, plant and equipment		(3'249)	(1'317)
Net finance costs		28'574	19'713
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
(Increase)/Decrease in inventories		(5'321)	(1'331)
(Increase)/Decrease in trade receivables		(6'329)	(3'890)
(Increase)/Decrease in other current assets		590	(114)
Increase/(Decrease) in trade payables		(570)	(9'118)
Increase/(Decrease) in other liabilities		1'578	12'797
Income taxes (paid)/received		(4'461)	(2'580)
Net cash generated from operating activities		**63'935**	**77'332**
Cash flows from investing activities			
Purchases of property, plant and equipment	7	(38'592)	(28'895)
Proceeds from sale of property, plant and equipment		6'358	4'383
Purchases of intangible assets		(1'955)	(1'412)
Interest received		83	254
Net cash used in investing activities		**(34'106)**	**(25'670)**
Cash flows from financing activities			
Proceeds from borrowings	10	771'692	-
Repayments of borrowings	10	(819'112)	(9'318)
Interest paid		(24'846)	(11'263)
Other non-cash items		(2'330)	398
Net cash used in financing activities		**(74'496)**	**(20'183)**
Net (decrease)/increase in cash and cash equivalents		**(44'667)**	**31'479**
Cash and cash equivalents at the beginning of the year		95'498	61'622
Exchange gains/(losses) on cash and cash equivalents		(84)	(1'998)
Cash and cash equivalents at the end of the period		**50'747**	**91'103**

5 Summary of significant accounting policies

5.1 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 condensed consolidated interim financial statements do not represent statutory financial statements of the parent entity Selecta Group B.V.

5.2 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 2013.

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 2013.

5.3 Use of estimates

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 2013.

5.4 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 2013, 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 5.5 below.

5.5 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 2013.

IFRS 10 – Consolidated Financial Statements

This standard provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. It was applied retrospectively in compliance with the transitional provisions and did not have material impact on the Group's Financial Statements.

IFRS 11 – Joint Arrangements

This standard establishes principles for the financial reporting by parties to a joint arrangement. It was applied retrospectively with the transitional provisions and did not have material on the Group's Financial Statements.

IFRS 12 – Disclosure of Interests in Other Entities

This standard combines, enhances and replaces disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group will modify its disclosures accordingly at year-end.

IFRS 13 – Fair Value Measurement

This standard applies to situations where other IFRSs require or permit fair value measurements. It defines fair value, sets out in a single IFRS a framework for measuring fair value and requires certain disclosures about fair value measurements. It was applied prospectively, in accordance with the transitional provisions and did not have a material impact on the Group's Financial Statements.

IAS 19 Revised 2011 – Employee Benefits

The main changes required by IAS 19 revised ("IAS 19R") are as follows:

Full recognition of deficit or surplus on the balance sheet

The option to defer the recognition of actuarial gains and losses, known as the 'corridor method" was eliminated. Since Selecta Group already recognised actuarial gains and losses directly in other comprehensive income before IAS 19 Revised became effective, this amendment had no impact on the Group's financial statements.

Introduction of net interest on the net defined benefit liability or asset

Under IAS 19, the expected return on plan assets is based on the expected rate of return on the investments in the plan. This method was replaced by the introduction of net interest on the net defined benefit liability or asset.

The expected return under IAS 19 depends on the actual investment portfolio and is typically not equal to the discount rate applied for the determination of the scheme liabilities. The net interest income under IAS 19R is determined based on this discount rate rather than the expected rate of return.

Change in the presentation of the defined benefit cost

Under IAS19R, the defined benefit cost comprises service cost, net interest and remeasurements. Service cost (current and past service cost and gains and losses on curtailments and settlements) and net interest are recognised in profit or loss, while remeasurements (actuarial gains and losses, any changes in the effect of the asset ceiling and the difference between (expected) net interest income and the actual return) are recognised in other comprehensive income for retirement benefits and in profit or loss for other long-term employee benefits.

Introduction of more extensive disclosure requirements in the financial statements

IAS19R introduced more extensive disclosure requirements relating to the characteristics, risks and amounts in the financial statements regarding defined benefit plans, as well as the effect of defined benefit plans on the amount, timing and uncertainty of the entity's future cash flows. The Group will present these additional disclosures for the first time in the annual financial statements.

Recognition of past service costs in the period of a plan amendment

Past service costs are recognised in the period of a plan amendment and unvested benefits are no longer be spread over a future period until the benefits become vested.

IAS 19 Revised 2011 has been applied retrospectively in compliance with the transitional provisions of the standard. The impact on the prior period financial statements has been disclosed in note 2.6.

5.6 Foreign exchange rates

The foreign currency rates applied against the Euro as of 30 June 2014 were as follows:

		Balance sheet	*Income statement*
Czech Koruna	CZK	27.45	27.26
Danish Krone	DKK	7.46	7.46
Great Britain Pound	GBP	0.88	0.83
Hungarian Forint	HUF	309.50	304.79
Norwegian Kroner	NOK	8.40	8.29
Swedish Krona	SEK	9.15	8.94
Swiss Franc	CHF	1.21	1.22

5.7 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.

5.8 Restatement of prior years' consolidated financial statements

IAS 19 Revised

IAS 19 Revised became effective for the financial year beginning 1 October 2013. The Group has adopted IAS 19 Revised retrospectively and has restated the comparative periods included in these interim financial statements.

The quantitative impact of these restatements is reflected accordingly in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated balance sheet and statement of changes in consolidated equity.

The following tables summarise the impact of the above changes on the Group's primary financial statements. There is no impact of the restatement on the consolidated statement of profit or loss and consolidated statement of comprehensive income since these are the first interim financial statements prepared in accordance with IAS 34.

Consolidated balance sheet as at 1 October 2012

	As reported € (000's)	*Restatement € (000's)*	*As restated € (000's)*
Assets			
Deferred income tax assets	8'035	(374)	7'661
Total non-current assets	1'217'264	(374)	1'216'890
Total assets	1'389'739	(374)	1'389'365
Equity and liabilities			
Retained earnings	(199'552)	1'039	(198'513)
Equity attributable to equity holders of the parent	204'530	1'039	205'569
Total equity	204'530	1'039	205'569
Retirement benefit obligations	22'161	(1'413)	20'748
Total non-current liabilities	1'003'906	(1'413)	1'002'493
Total liabilities	1'185'209	(1'413)	1'183'796
Total equity and liabilities	1'389'739	(374)	1'389'365

Consolidated balance sheet as at 30 September 2013

	As reported € (000's)	*Restatement € (000's)*	*As restated € (000's)*
Assets			
Deferred income tax assets	12'639	(587)	12'052
Total non-current assets	1'163'263	(587)	1'162'676
Total assets	1'364'606	(587)	1'364'019
Equity and liabilities			
Retained earnings	(196'562)	861	(195'701)
Equity attributable to equity holders of the parent	215'952	861	216'813
Total equity	215'952	861	216'813
Retirement benefit obligations	15'669	(1'448)	14'221
Total non-current liabilities	967'128	(1'448)	965'680
Total liabilities	1'148'654	(1'448)	1'147'206
Total equity and liabilities	1'364'606	(587)	1'364'019

Statement of changes in consolidated equity

	As reported € (000's)		*Restatement € (000's)*	*As restated € (000's)*	
	Retained earnings	*Equity attributable to equity holders of the parent and total equity*		*Retained earnings*	*Equity attributable to equity holders of the parent and total equity*
2012					
Balance at 30 September	(199'552)	204'530	*1'039*	(198'513)	205'569
2013					
Net profit/(loss)	397	397	*(129)*	268	268
Other comprehensive income	2'593	11'025	*(49)*	2'544	10'976
Balance at 30 September	(196'562)	215'952	*861*	(195'701)	216'813

6 Segmental reporting

The Group is organised and managed internally within four geographical regions. Each of these regions comprises countries which offer a similar portfolio of products and services to consumers and customers. Together with the headquarters these segments represent the reportable segments of the Group, as follows:

Region France: includes operating entities in France.

Region UK: includes operating entities in the United Kingdom and in Ireland.

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

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

Headquarters (HQ): includes corporate centre functions in Switzerland and in the Netherlands.

The operating results of each reportable segment are regularly reviewed by the Board of Directors, 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 2014

	France € (000's)	**UK** € (000's)	**Central** € (000's)	**North** € (000's)	**HQ** € (000's)	**Total segments** € (000's)	**IC elimin-ations** € (000's)	**Total Group** € (000's)
Revenue	137'856	51'091	217'279	129'010	14	**535'251**	(11'465)	**523'785**
Materials and consumables used	(33'119)	(19'970)	(72'583)	(50'088)	70	**(175'689)**	11'465	**(164'225)**
Employee benefits expense	(41'754)	(16'015)	(64'817)	(36'513)	(6'495)	**(165'593)**	486	**(165'108)**
Other operating expenses	(49'830)	(11'490)	(25'564)	(18'382)	(7'005)	**(112'270)**	(486)	**(112'758)**
Depreciation, amortisation and impairment expense	(10'034)	(5'201)	(18'932)	(11'292)	(18'167)	**(63'623)**	-	**(63'623)**
Profit before interest and income tax	**3'119**	**(1'584)**	**35'383**	**12'735**	**(31'582)**	**18'071**	**-**	**18'071**
Management fees and royalties	(5'411)	(1'946)	(8'468)	(4'984)	20'808	-	-	**-**
Finance costs	(7'891)	(2'871)	(976)	(6'638)	(13'168)	**(31'545)**	2'888	**(28'657)**
Finance income	(182)	(15)	19	87	3'062	**2'971**	(2'888)	**83**
Loss before income tax	**(10'365)**	**(6'416)**	**25'958**	**1'201**	**(20'880)**	**(10'503)**	**-**	**(10'503)**
Income taxes	2'757	-	692	(430)	(2'275)	**744**	-	**744**
Net loss for the period	**(7'609)**	**(6'416)**	**26'650**	**771**	**(23'155)**	**(9'759)**	**-**	**(9'759)**

Result for the 9 months ended 30 June 2013

	France € (000's)	UK € (000's)	Central € (000's)	North € (000's)	HQ € (000's)	Total segments € (000's)	IC elimin-ations € (000's)	Total Group € (000's)
Revenue	147'907	58'368	231'168	129'585	(25)	**567'001**	(6'265)	**560'736**
Materials and consumables used	(36'917)	(23'869)	(72'258)	(45'950)	133	**(178'862)**	6'265	**(172'597)**
Employee benefits expense	(42'710)	(21'681)	(66'634)	(36'747)	(8'946)	**(176'707)**	455	**(176'257)**
Other operating expenses	(50'864)	(15'918)	(38'136)	(18'668)	(4'950)	**(128'545)**	(455)	**(128'996)**
Depreciation, amortisation and impairment expense	(11'916)	(6'559)	(21'889)	(11'257)	(20'229)	**(71'850)**	-	**(71'850)**
Profit before interest and income tax	**5'500**	**(9'658)**	**32'251**	**16'962**	**(34'019)**	**11'036**	**-**	**11'036**
Management fees and royalties	(7'815)	(2'136)	(12'104)	(6'165)	28'219	-	-	**-**
Finance costs	(7'129)	(4'221)	(810)	(6'700)	(3'992)	**(22'852)**	2'885	**(19'968)**
Finance income	(113)	(24)	8	(75)	3'344	**3'139**	(2'885)	**254**
Loss before income tax	**(9'557)**	**(16'039)**	**19'344**	**4'021**	**(6'448)**	**(8'678)**	**-**	**(8'678)**
Income taxes	(970)	-	942	(1'006)	1'803	**769**	-	**769**
Net loss for the period	**(10'527)**	**(16'039)**	**20'286**	**3'015**	**(4'645)**	**(7'909)**	**-**	**(7'909)**

Balance sheet at 30 June 2014

	France € (000's)	UK € (000's)	Central € (000's)	North € (000's)	HQ € (000's)	Total segments € (000's)	IC elimin-ations € (000's)	Total Group € (000's)
Total assets	68'777	29'082	769'351	125'187	2'968'728	**3'961'124**	(2'653'639)	**1'307'485**
Total liabilities	(242'523)	(14'207)	(422'890)	(192'299)	(1'922'482)	**(2'794'401)**	1'693'890	**(1'100'510)**
Net assets/ (liabilities)	**(173'747)**	**14'875**	**346'461**	**(67'112)**	**1'046'245**	**1'166'723**	**(959'749)**	**206'975**
Total assets include:								
Non-current assets (excluding financial assets and deferred income tax assets)	**37'732**	**15'213**	**67'251**	**44'120**	**962'696**	**1'127'011**	**-**	**1'127'011**

Balance sheet at 30 September 2013

	France € (000's)	UK € (000's)	Central € (000's)	North € (000's)	HQ € (000's)	Total segments € (000's)	IC elimin-ations € (000's)	Total Group € (000's)
Total assets	75'055	36'561	635'137	117'536	1'805'401	**2'669'690**	(1'305'670)	**1'364'019**
Total liabilities	(308'814)	(74'254)	(317'398)	(207'981)	(737'087)	**(1'645'534)**	498'327	**(1'147'207)**
Net assets/ (liabilities)	**(233'759)**	**(37'693)**	**317'739**	**(90'445)**	**1'068'315**	**1'024'156**	(807'343)	**216'813**
Total assets include:								
Non-current assets (excluding financial assets and deferred income tax assets)	**40'130**	**18'785**	**68'816**	**41'960**	**978'628**	**1'148'320**	**-**	**1'148'320**

In addition the Group analyses its revenue according to the following sales categories.

	9 months ended 30 June 2014 € (000's)	*9 months ended 30 June 2013 € (000's)*
Revenue from publicly accessible points of sale	111'908	130'227
Revenue from privately placed points of sale	340'090	360'891
Revenue from trade sales of machines and products	49'106	45'499
Other revenue	22'681	24'119
Total revenue	**523'785**	**560'736**

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

7 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 2014 amount to € 45.4 million.

Net book values of disposals of property, plant and equipment in the 9 months ended 30 June 2014 amount to € 3.1 million.

As at 30 June 2014 commitments in respect of capital expenditure amounted to € nil (30 September 2013: € nil, 30 September 2012: € 14.2 million).

Certain of the Group's property, plant and equipment have been pledged to secure the borrowings of the Group. See note 10 for further details of pledged assets.

8 Goodwill

	30 June 2014 € (000's)	*30 September 2013 € (000's)*
Goodwill	**483'128**	**483'128**

During the financial year ended 30 September 2013 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 2014 management has reviewed whether there are any indications of impairment which would trigger the requirement to perform an impairment test at 30 June 2014 and concluded that there are no such indications of impairment.

9 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 2013 in undertaking the impairment test, the Group has used the same projections and parameters as used in the goodwill impairment test, and has included in the calculation of the WACC an asset specific risk premium of 0.5%. Based on these factors, the recoverable amount exceeded the carrying amount and therefore no impairment is required to be booked.

In respect of the 9 months ended 30 June 2014 management has reviewed whether there are any indications of impairment which would trigger the requirement to perform an impairment test at 30 June 2014 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.

10 Borrowings

	30 June 2014 € (000's)	*30 September 2013 € (000's)*
Borrowings at amortised cost	548'540	818'703
Loans due to parent undertaking at amortised cost	214'113	-
Total borrowings	**762'653**	**818'703**

The maturity of borrowings is as follows:

	30 June 2014 € (000's)	*30 September 2013 € (000's)*
Less than one year	**-**	**18'414**
After one year but not more than five years	-	800'289
More than five years	762'653	-
Total more than one year	**762'653**	**800'289**
Total borrowings	**762'653**	**818'703**

Total borrowings by currency

		30 June 2014			*30 September 2013*	
	€ million	*in %*	*Interest rate*	*€ million*	*in %*	*Interest rate*
EUR	539.6	70.7%	8.6%	249.1	30.4%	4.0%
CHF	223.1	29.3%	6.5%	361.7	44.2%	2.9%
GBP	-	-	-	76.7	9.4%	5.0%
SEK	-	-	-	131.2	16.0%	6.4%
Total	**762.7**	**100.0%**	**8.0%**	**818.7**	**100.0%**	**4.0%**

Rate structure of borrowings

	30 June 2014 € million	*30 September 2013 € million*
Total borrowings at variable rates	20.7	818.7
Total borrowings at fixed rates	742.0	-
Total	**762.7**	**818.7**

Details of borrowing facilities

During the quarter the Group has refinanced its existing borrowings through the issuance of a € 350 million 6.5% senior secured note and a CHF 245 million 6.5% senior secured note. 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").

As part of the refinancing package the Group has entered into a € 50 million super senior revolving credit facility. € 20.5 million of this facility is drawn as at 30 June 2014.

The proceeds of the new financing were used to repay in full Selecta's existing borrowings except the outstanding liabilities under finance lease agreements.

11 Share capital and additional paid-in capital

The Group's share capital consists of 187'000 fully paid ordinary shares (30 September 2013: 187'000, 30 September 2012: 187'000) with a nominal value of € 1 per share.

	Number of shares	*Share capital € (000's)*	*Share premium € (000's)*	*Additional paid-in capital € (000's)*
Balance at 30 September 2013 and at 30 June 2014	**187'000**	**187**	**278'457**	**220'529**

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

12 Financial instruments

Categories of financial instruments

	30 June 2014 € (000's)	*30 September 2013 € (000's)*	*30 September 2012 € (000's)*
Financial assets			
Trade receivables	39'714	38'226	43'151
Non-current other financial assets	2'213	2'305	2'478
Cash and cash equivalents	50'747	95'498	61'622
Accrued income and uncollected cash in points-of sale	21'235	19'999	22'618
Total loans and receivables	**113'908**	**156'028**	**129'869**
Financial liabilities			
Borrowings at amortised cost	762'653	818'702	843'210
Payables at amortised cost	129'048	124'382	120'390
Finance lease payables at amortised cost	14'641	7'995	5'534
Total financial liabilities measured at amortised cost	**906'342**	**951'079**	**969'134**

13 Pledged assets

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.

14 Acquisition and disposal of subsidiaries

During the 9 months ended 30 June 2014, there have not been any acquisitions or disposals of subsidiaries (2013: none).

15 Events after the interim period end

To the best of management's knowledge, no events have occurred between 30 June 2014 and the date of authorisation of these condensed consolidated interim financial statements that could have a material impact on the consolidated financial statements.

16 Approval of condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the 9 months ended 30 June 2014 have been authorised by the Board of Directors on 18 September 2014.

Amsterdam, 18 September 2014

Dr. Rainer Husmann,
Member of the Supervisory Board

Joerg Spanier,
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