

**SIG Combibloc Group Holdings S.à r.l.**  
Consolidated financial statements  
for the year ended December 31, 2017

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## **Audit report**

To the Partners of  
**SIG Combibloc Group Holdings S.à r.l.**

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### **Report on the audit of the consolidated financial statements**

#### *Our opinion*

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of SIG Combibloc Group Holdings S.à r.l. (the Company) and its subsidiaries (the Group) as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *What we have audited*

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of profit and loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### *Basis for opinion*

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### ***Independence***

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

### ***Other information***

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated Management report but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Board of Directors***

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with (IFRSs), and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### ***Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements***

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit.



We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other legal and regulatory requirements**

The consolidated Management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 13 February 2018

A handwritten signature in black ink, appearing to read 'Malik Lekehal'.

Malik Lekehal

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**Consolidated statement of profit or loss and other comprehensive income**

<i>(In € million)</i>	Note	Year ended December 31, 2017	Year ended December 31, 2016
Revenue	3	1,664.1	1,723.8
Cost of sales		(1,275.7)	(1,328.7)
<b>Gross profit</b>		<b>388.4</b>	<b>395.1</b>
Other income	4	11.7	34.2
Selling, marketing and distribution expenses		(68.7)	(64.8)
General and administrative expenses		(176.6)	(174.8)
Other expenses	5	(5.6)	(51.1)
Share of profit of joint ventures, net of income tax	13	18.8	21.4
<b>Profit from operating activities</b>		<b>168.0</b>	<b>160.0</b>
Finance income	7	10.2	13.8
Finance expenses	7	(248.9)	(178.8)
<b>Net finance expense</b>		<b>(238.7)</b>	<b>(165.0)</b>
<b>Loss before income tax</b>		<b>(70.7)</b>	<b>(5.0)</b>
Income tax expense	8	(26.2)	(34.9)
<b>Loss for the period</b>		<b>(96.9)</b>	<b>(39.9)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translations of foreign operations:			
- recognized in translation reserve		7.3	65.4
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plans		25.4	6.6
<b>Total other comprehensive income, net of income tax</b>	8	<b>32.7</b>	<b>72.0</b>
<b>Total comprehensive income</b>		<b>(64.2)</b>	<b>32.1</b>

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**Consolidated statement of financial position**

<i>(In € million)</i>	Note	As of December 31, 2017	As of December 31, 2016
Cash and cash equivalents	2.7	103.9	123.7
Trade and other receivables	9	287.3	293.4
Inventories	10	122.4	125.6
Current tax assets	8	2.5	4.1
Other current assets	20	28.2	17.1
<b>Total current assets</b>		<b>544.3</b>	<b>563.9</b>
Non-current receivables	9	7.9	6.3
Investments in joint ventures	13	206.9	219.7
Deferred tax assets	8	2.9	2.3
Property, plant and equipment	11	1,015.4	1,028.8
Intangible assets	12	2,561.0	2,780.0
Other non-current assets	15, 16, 20	233.3	230.9
<b>Total non-current assets</b>		<b>4,027.4</b>	<b>4,268.0</b>
<b>Total assets</b>		<b>4,571.7</b>	<b>4,831.9</b>
Trade and other payables	14	410.1	386.7
Loans and other borrowings	15	22.4	22.3
Current tax liabilities	8	35.8	51.1
Employee benefits	16	26.5	32.6
Provisions	17	24.3	26.0
Other current liabilities	15, 18, 20	34.2	35.2
<b>Total current liabilities</b>		<b>553.3</b>	<b>553.9</b>
Non-current payables	14	4.7	1.8
Loans and other borrowings	15	2,534.2	2,700.1
Deferred tax liabilities	8	227.5	263.4
Employee benefits	16	107.1	109.3
Provisions	17	18.5	18.1
Other non-current liabilities	15, 18, 20	89.6	85.0
<b>Total non-current liabilities</b>		<b>2,981.6</b>	<b>3,177.7</b>
<b>Total liabilities</b>		<b>3,534.9</b>	<b>3,731.6</b>
Share capital	19	1,156.3	1,155.6
Reserves		(81.5)	(88.8)
Retained earnings		(38.0)	33.5
<b>Total equity</b>		<b>1,036.8</b>	<b>1,100.3</b>
<b>Total liabilities and equity</b>		<b>4,571.7</b>	<b>4,831.9</b>

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**Consolidated statement of changes in equity**

<i>(In € million)</i>	Note	Share capital	Translation-reserve	Retained earnings	Total equity
<b>Equity as of January 1, 2017</b>		<b>1,155.6</b>	<b>(88.8)</b>	<b>33.5</b>	<b>1,100.3</b>
<b>Loss for the period</b>				<b>(96.9)</b>	<b>(96.9)</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Currency translations of foreign operations:					
– recognized in translation reserve			7.3		7.3
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit plans				25.4	25.4
<b>Total other comprehensive income, net of income tax</b>		<b>-</b>	<b>7.3</b>	<b>25.4</b>	<b>32.7</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>7.3</b>	<b>(71.5)</b>	<b>(64.2)</b>
Issue of shares	19	0.7			0.7
<b>Total transactions with owners</b>		<b>0.7</b>	<b>-</b>	<b>-</b>	<b>0.7</b>
<b>Equity as of December 31, 2017</b>	<b>19</b>	<b>1,156.3</b>	<b>(81.5)</b>	<b>(38.0)</b>	<b>1,036.8</b>
<b>Equity as of January 1, 2016</b>		<b>1,155.0</b>	<b>(154.2)</b>	<b>66.8</b>	<b>1,067.6</b>
<b>Loss for the period</b>				<b>(39.9)</b>	<b>(39.9)</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Currency translations of foreign operations:					
– recognized in translation reserve			65.4		65.4
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit plans				6.6	6.6
<b>Total other comprehensive income, net of income tax</b>		<b>-</b>	<b>65.4</b>	<b>6.6</b>	<b>72.0</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>65.4</b>	<b>(33.3)</b>	<b>32.1</b>
Issue of shares	19	0.6			0.6
<b>Total transactions with owners</b>		<b>0.6</b>	<b>-</b>	<b>-</b>	<b>0.6</b>
<b>Equity as of December 31, 2016</b>		<b>1,155.6</b>	<b>(88.8)</b>	<b>33.5</b>	<b>1,100.3</b>



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**Consolidated statement of cash flows**

<i>(In € million)</i>	Note	Year ended December 31, 2017	Year ended December 31, 2016
<b>Cash flows from operating activities</b>			
Loss for the period		(96.9)	(39.9)
<i>Adjustments for:</i>			
Depreciation and amortization	11, 12	265.9	262.1
Impairment losses	11	1.9	-
Change in fair value of derivatives		(5.2)	(0.9)
Gain on sale of property, plant and equipment and non-current assets		(0.3)	(1.4)
Share of profit of joint ventures, net of income tax	13	(18.8)	(21.4)
Net finance expense	7	238.7	165.0
Interest paid	15	(143.6)	(153.4)
Income tax expense	8	26.2	34.9
Income taxes paid, net of refunds received		(72.9)	(65.6)
		<b>195.0</b>	<b>179.4</b>
Change in trade and other receivables		(21.0)	(56.6)
Change in inventories		(5.0)	17.8
Change in trade and other payables		42.2	36.1
Change in provisions and employee benefits		4.7	48.0
Change in other assets and liabilities		30.8	14.7
<b>Net cash from operating activities</b>		<b>246.7</b>	<b>239.4</b>
<b>Cash flows from investing activities</b>			
Acquisition of business, payment of contingent consideration	20	(10.0)	(150.0)
Acquisition of property, plant and equipment and intangible assets	11, 12	(212.3)	(186.4)
Proceeds from sale of property, plant and equipment and other assets		0.9	4.2
Dividends received from joint ventures	13	25.0	19.3
Interest received		1.0	1.8
<b>Net cash used in investing activities</b>		<b>(195.4)</b>	<b>(311.1)</b>
<b>Cash flows from financing activities</b>			
Payment of transaction costs relating to financing		(1.5)	(2.8)
Repayment of loans and borrowings	15	(67.9)	(54.9)
Payment of finance lease liabilities	15	(1.3)	-
Proceeds from sale and leaseback transactions	15	13.1	-
Proceeds from issue of shares	19	0.7	0.6
Other		(4.9)	-
<b>Net cash used in financing activities</b>		<b>(61.8)</b>	<b>(57.1)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(10.5)</b>	<b>(128.8)</b>
Cash and cash equivalents at the beginning of the period		123.7	251.3
Effect of exchange rate fluctuations on cash and cash equivalents		(9.3)	1.2
<b>Cash and cash equivalents at the end of the period</b>	2.7	<b>103.9</b>	<b>123.7</b>

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**1. Reporting entity**

SIG Combibloc Group Holdings S.à r.l. (the “Company”) is a company domiciled in Luxembourg. The address of its registered office is 6C, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg.

The Company, via its subsidiaries, obtained control of SIG Combibloc Group AG and SIG Holding USA, LLC and their respective subsidiaries (together “SIG” or the “SIG Group”) at the close of business on March 13, 2015. The previous owner of SIG was Reynolds Group Holdings Limited and its subsidiaries (“RGHL”).

The SIG Group is principally engaged in the manufacturing of aseptic carton solutions for both beverage and liquid food products, ranging from juices and milk to soups and sauces. Its product offering consists of aseptic carton packaging filling machines, aseptic carton packaging sleeves, spouts and caps as well as after-market services.

The consolidated financial statements for the year ended December 31, 2017 comprise the Company and its subsidiaries, including the SIG Group (together referred to as the “Group”). The subsidiaries and joint ventures included in the consolidated financial statements of the Company are listed in note 25.

**2. Basis of preparation and accounting policies**

**2.1 Statement of compliance**

The consolidated financial statements for the year ended December 31, 2017 have been prepared in accordance with *International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”)*. They are also compliant with IFRS as adopted by the European Union (“EU”).

The consolidated financial statements for the year ended December 31, 2017 were approved by the Board of Directors of the Company on February 13, 2018.

**2.2 Presentation currency**

The consolidated financial statements are presented in Euros (“€”), which is the functional currency of the Company.

**2.3 Application of accounting policies**

The accounting policies applied by the Group in the consolidated financial statements for the year ended December 31, 2017 are consistent with those applied in its consolidated financial statements for the year ended December 31, 2016.

A number of amended standards were effective for annual periods beginning on January 1, 2017. The amended standards were either not applicable to the Group or had no, or no material, impact on the consolidated financial statements.

**2.4 Other preparation topics**

The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments, such as derivatives and contingent purchase price obligations relating to business combinations, which are measured at fair value, certain components of inventory that are measured at net realizable value, and defined benefit obligations that are measured under the projected unit credit method.

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities,

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income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from estimates and assumptions made. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Information about the areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in note 2.18.

**Reclassification of comparative information**

In the current year, the Group has changed its presentation of deferred revenue and a deferred option premium in the statement of financial position. We have reclassified these balances as the characteristic of the liabilities' settlement differs from trade and other payables. They are no longer presented as part of the Group's operating payables but as other current and non-current liabilities. Comparative amounts have been reclassified for consistency. In the comparative year, current deferred revenue of €19.6 million has been reclassified from Trade and other payables to Other current liabilities, non-current deferred revenue of €54.1 million has been reclassified from Non-current payables to Other non-current liabilities and a deferred option premium of €5.3 million has been reclassified from Non-current payables to Other non-current liabilities. Comparative numbers in relevant notes have also been reclassified. In the cash flow statement, €5.0 million of reclassification adjustments have been made to present cash flows from operating activities in the comparative year from Change in trade and other payables to Change in other assets and liabilities.

**2.5 Basis of consolidation**

**Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from their respective acquisition date, which is the date on which the Group obtains control. Subsidiaries are deconsolidated from their respective disposal date, which is the date on which control ceases. Any resulting gain or loss is recognized in profit or loss.

**Interests in joint ventures**

A joint venture is a contractual arrangement in which the Group has joint control and has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities. Investments in joint ventures are accounted for using the equity method. On the date joint control is obtained, joint ventures are recognized at cost (including transaction costs). Subsequent to initial recognition, the Group's share of the profit or loss and other comprehensive income is included in the consolidated financial statements until the date on which joint control ceases. The Group's share of the profit or loss of its joint ventures (net of income tax) is presented as part of the Group's profit or loss from operating activities due to the Group's close interaction with its joint ventures.

**Intra-group transactions and balances**

Intra-group transactions and balances are eliminated upon consolidation. Unrealized gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

**Business combinations**

Business combinations are accounted for by using the acquisition method at the acquisition date, which is when control is obtained. The consideration transferred is generally measured at fair value, as are the identifiable net assets acquired.

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Goodwill is measured at the acquisition date as the fair value of the consideration transferred (including, if applicable, the fair value of any previously held equity interests and any non-controlling interests) less the net recognized amount (which is generally fair value) of the identifiable assets acquired and liabilities assumed. If the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If such a contingent consideration depends on the achievement of future earnings or other performance targets, any changes in the fair value are recognized in profit or loss as other income or expenses.

Transaction costs, other than those associated with the issue of debt or equity securities incurred in connection with a business combination, are expensed as incurred.

## **2.6 Foreign currency**

Items included in the financial statements of individual group entities are recognized in their respective functional currency, which is the currency of the primary economic environment in which each group entity operates.

### **Foreign currency transactions**

Foreign currency transactions are translated into the respective functional currency of the Group entity at the exchange rates at the dates of the transactions. Monetary assets and liabilities in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities in foreign currencies that are measured based on historical cost are translated at the exchange rates at the dates of the transactions. Foreign currency exchange gains or losses are generally recognized in profit or loss.

### **Foreign operations**

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at average rates for the reported periods, which approximate the exchange rates at the dates of the transactions. This also applies to the statement of cash flows and all movements in assets and liabilities as well as any items of other comprehensive income. The foreign currency exchange gains and losses arising on the translation of the net assets of foreign operations are recognized in other comprehensive income, in the translation reserve.

When a foreign operation is disposed of or liquidated, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal (or liquidation). The Group does not apply hedge accounting to the foreign currency exchange differences arising between the functional currency of the foreign operation and Euro.

### **Significant exchange rates**

The following significant exchange rates against the Euro applied during the periods presented:

	<b>Average rate for the year</b>		<b>Spot rate as of</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
1 Brazilian Real (BRL)	0.278	0.260	0.252	0.292
1 Chinese Renminbi (CNY)	0.131	0.136	0.128	0.137
1 Swiss Franc (CHF)	0.900	0.918	0.855	0.931
10 Mexican Peso (MXN)	0.469	0.485	0.423	0.459
1 New Zealand Dollar (NZD)	0.629	0.630	0.593	0.660
10 Thai Baht (THB)	0.261	0.256	0.256	0.265
1 US Dollar (\$)	0.886	0.904	0.834	0.949

## **2.7 Financial instruments**

The accounting applied to non-derivative and derivative financial instruments depends on their classification. The Group's financial assets and liabilities are classified into the following categories, which are described in more detail below: loans and receivables, financial liabilities at amortized cost and financial assets and liabilities at fair value through profit or loss.

The Group initially recognizes loans and receivables and any debt issued on the date when they are originated. All other financial assets and liabilities are initially recognized on the trade date, when the entity becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the asset have expired, when the contractual rights to receive the cash flows have been transferred and the Group has transferred substantially all of the risks and rewards of ownership, or when the Group transfers a financial asset but retains the contractual rights to receive the cash flows but at the same time assumes a contractual obligation to pay the cash flows to another recipient (and remits the cash flows to the other recipient once having collected an amount from the original asset without material delay, also being prohibited to sell or pledge the original asset). Any interest in such a derecognized financial asset that is retained by the Group is recognized as a separate asset or liability.

A financial liability is derecognized (in full or partly) when its contractual obligations are discharged or cancelled, expire or replaced by a new liability with substantially modified terms. Any gain or loss arising upon modification of a financial liability that does not result in derecognition is amortized over the remaining term of the liability by re-calculating the effective interest rate.

Financial assets and financial liabilities are only offset and the net amount presented in the statement of financial position when the Group currently has a legally enforceable right to offset the amounts and intends to either settle them on a net basis or realize the asset and settle the liability simultaneously.

### **Loans and receivables**

#### ***Cash and cash equivalents***

Cash and cash equivalents mainly comprise of cash at banks and short-term deposits at banks with maturities of three months or less from the date of acquisition. The Group had €2.2 million of cash presented as part of cash and cash equivalents that was not available for its use as of December 31, 2017 (€0 million as of December 31, 2016). The restricted amount relates to cash collected for the benefit of the Group's securitization partner.

#### ***Trade and other receivables***

Trade and other receivables are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these assets are carried at amortized cost using the effective interest method less provisions for doubtful debts.

The Group assesses at least at each reporting date whether there is an indication that a trade or other receivable is impaired. When there is objective evidence that a receivable is impaired, the resulting impairment loss is recognized in profit or loss. Any subsequent recoveries of amounts previously written off are credited to the same line item in profit or loss where the original write off was recognized.

### **Financial liabilities at amortized cost**

#### ***Trade and other payables***

Trade and other payables are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are carried at amortized cost using the effective interest method.

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***Loans and other borrowings***

Loans and other borrowings are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are carried at amortized cost using the effective interest method. Loans and other borrowings are classified as current or non-current liabilities depending on if the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

**Financial assets and liabilities at fair value through profit or loss**

***Derivatives***

Derivatives are measured at fair value with any related transaction costs expensed as incurred. All derivatives with a positive fair value are presented as other current or non-current assets in the statement of financial position, while all derivatives with a negative fair value are presented as other current or non-current liabilities.

The gain or loss on remeasurement to fair value is recognized in profit or loss. Net changes in the fair value of derivatives entered into as part of the operating business are presented as part of profit from operating activities, while net changes in the fair value of derivatives entered into in relation to the financing of the Group are presented in other finance income or expenses. The Group does not apply hedge accounting under IFRS.

A derivative embedded in another contract is separated and accounted for separately when its economic characteristics and risks are not closely related to those of its host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the host contract is not measured at fair value with the fair value changes recognized in profit or loss. Changes in the fair value of a separated embedded derivative are recognized immediately in profit or loss.

**2.8 Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost formula and includes costs incurred in acquiring the inventories and bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price less the estimated costs of completion and estimated costs necessary to make the sale.

**2.9 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Gains and losses on disposals of items of property, plant and equipment are recognized in profit or loss.

The cost of an acquired or self-constructed item of property, plant and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. The cost of the Group's filling lines also includes the estimated cost of dismantling to the extent such an amount is recognized as a provision. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, with depreciation generally recognized in profit or loss. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

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Buildings	15 to 40 years
Plant and equipment:	
Production-related equipment and machinery	4 to 12 years
Furniture and fixtures	3 to 8 years
Leased assets, lessor (filling lines)	10 years

## **2.10 Leases**

Leases are classified as finance leases whenever the terms of the lease contract transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **The Group as lessor**

The Group primarily deploys filling lines at customers' sites under contracts that qualify to be accounted for as operating lease contracts. The cost of a filling line is capitalized by the Group as part of property, plant and equipment and depreciated over its estimated useful life. Lease income is recognized as revenue on a straight-line basis over the lease term.

### **The Group as lessee**

The Group leases a few office buildings and warehouses as well as some equipment under contracts that qualify to be accounted for as operating lease contracts. Lease payments are recognized as an expense on a straight-line basis over the lease term.

The Group also leases a facility and production equipment under finance lease contracts. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## **2.11 Intangible assets**

Goodwill arising upon business combinations is measured at cost less accumulated impairment losses. With respect to investments in joint ventures accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.

The Group's trademarks are assessed to have an indefinite useful life and are measured at cost less accumulated impairment losses. Other intangible assets, including customer relationships and technology assets, have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses. Gains and losses on disposals of any intangible assets are recognized in profit and loss.

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete the development and to use or sell the asset. If the capitalization criteria are not met, development expenditure is recognized in profit or loss as incurred. Due to uncertainties inherent in the development of new products and processes, notably regarding the difficulty to reliably estimate expected future economic benefits, development costs typically do not meet the capitalization criteria but are recognized as general and administrative expenses as incurred. Research and development costs (excluding depreciation and amortization expense) recognized as a component of general and administrative expenses totaled €63.3 million for the year ended December 31, 2017 and €55.8 million for the year ended December 31, 2016.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, with amortization generally recognized in profit or loss. The estimated useful lives of amortizable intangible

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assets for the current and comparative periods are as follows:

Customer relationships	10 years
Technology assets (including patented and non-patented technology and know-how)	6 to 10 years
Other (including software)	3 to 6 years

## **2.12 Impairment of non-financial assets**

The carrying amounts of the Group's property, plant and equipment, intangible assets with finite useful lives and investments in joint ventures are reviewed regularly and at least annually to identify whether there is an indication of impairment. If an impairment indicator exists, the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis and whenever there is an indication that they may be impaired.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Goodwill is allocated to the Group's cash generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. An impairment loss is allocated to first reduce the carrying amount of any goodwill allocated to the cash generating unit, and then to reduce the carrying amounts of the other assets in the cash generating unit on a pro-rata basis. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.13 Employee benefits**

### **Short-term employee benefits**

Short-term employee benefits are expensed in profit or loss as the related services are provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

### **Pension obligations**

The Group operates various defined benefit plans. The Group's obligation with respect to defined benefit plans is calculated separately for each plan by estimating the amount of the future benefits that employees have earned in return for their services in the current and prior years, discounting that amount to determine the present value of the Group's obligation and then deducting the fair value of any plan assets. The discount rate used is the yield on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculations are performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.



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Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and, if any, the effects of the asset ceiling (excluding interest) are recognized immediately in other comprehensive income.

The net interest expense/(income) on the net defined benefit liability/(asset) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability/(asset) as of that time, taking into account any changes from contributions and benefit payments. Net interest expense and other plan expenses are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past services or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for such benefits. Termination costs are expensed at the earlier of when the Group can no longer withdraw the offer of the benefits or when the Group recognizes any related restructuring costs.

**2.14 Provisions and contingencies**

**Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted if the time value of money is material. The unwinding of the discount is recognized as part of finance expenses. A provision is classified as current or non-current depending on if the expected timing of the payment of the amounts provided for is more than twelve months after the reporting period.

A provision for legal claims reflects management's best estimate of the outcome based on the facts known as of the reporting date.

A provision for warranties is recognized for products under warranty as of the reporting date based upon known failures and defects as well as sales volumes and past experience of the level of problems reported and product returns.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. No provision is made for future operating costs.

A provision for dismantling is recognized when the Group has an obligation to pay for dismantling costs arising upon the return of a filling line. This obligation typically arises upon deployment of the filling line.

A provision for onerous contracts is recognized when the expected benefits to be derived by an entity from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

**Contingencies**

Contingent liabilities are possible obligations arising from a past event to be confirmed by future events not wholly within the control of the Group, or present obligations arising from a past event of which the outflow of economic benefits is not probable, or which cannot be measured reliably. Contingent liabilities are not recognized in the statement of financial position, except for certain items assumed in a business combination, but are separately disclosed.

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Contingent assets are possible assets arising from a past event to be confirmed by future events not wholly within the control of the Group. Contingent assets are not recognized in the statement of financial position, but are separately disclosed.

## **2.15 Share capital**

Non-redeemable preference shares are classified as equity as they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments.

## **2.16 Revenue**

Revenue consists of the sale of goods (i.e. sleeves, filling lines, spouts and caps) and the providing of after-market services and is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and other customer incentives. The Group also presents lease income from the deployment of filling lines under contracts that qualify to be accounted for as operating lease contracts (see further note 2.10) and revenue under royalty agreements as part of revenue.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the customer, there is no continuing managerial involvement with the goods to the degree usually associated with ownership or effective control over the goods, the amount of revenue can be measured reliably, recovery of the consideration is probable, and the associated costs and possible return of goods can be estimated reliably. Transfer of risks and rewards of ownership vary depending on the individual contract terms and can for example occur upon shipment of the goods, upon receipt of the goods and/or upon deployment of a filling line at a customer location.

When the outcome of a transaction involving rendering of services can be estimated reliably, revenue is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

## **2.17 Income tax**

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

For subsidiaries in which the profits are not considered to be permanently reinvested, the additional tax consequences of future dividend distributions are recognized as income tax expense.

### **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect to previous years. Current tax assets and liabilities are only offset if certain criteria are met.

### **Deferred tax**

Deferred tax is recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint arrangements to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantively enacted at the reporting date.

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Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. The recoverability of deferred tax assets is reviewed at each reporting date. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are only offset if certain criteria are met.

## **2.18 Critical accounting estimates and assumptions**

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported and disclosed as further described in note 2.4. Management believes that the following accounting policies involve the most significant judgments, estimates and assumptions.

### **Accruals for various customer incentive programs**

In arriving at net sales, the Group estimates the amount of deductions from sales that are likely to be earned or taken by customers in conjunction with incentive programs. These incentives include trade discounts, volume rebates and other customer incentives. Estimates for each of these programs are based on historical and current market trends which are affected by the business seasonality and competitiveness of promotional programs being offered. Estimates are reviewed quarterly for possible revisions.

### **Impairment testing and recognition of impairment losses**

Significant judgment is involved in the annual impairment testing of goodwill and trademarks with indefinite useful lives, performed at Group level. These judgments and assumptions used in estimating the recoverable amount of the Group (in this case, the fair value less costs of disposal) are described in note 12.

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if there are any impairment indicators. A change in the Group's intended use of certain assets, such as a decision to rationalize manufacturing locations, may trigger a future impairment. Value in use calculations require the Group to estimate the future cash flows expected to arise from an individual asset or cash generating unit and to determine a suitable discount rate in order to calculate present value.

### **Income taxes**

Determining the Group's worldwide income tax liability requires significant judgment and the use of estimates and assumptions, some of which are highly uncertain. Each tax jurisdiction's laws are complex and subject to different interpretations by the taxpayer and the respective tax authorities. Significant judgment is required in evaluating the Group's tax positions, including evaluating uncertainties. To the extent actual results differ from these estimates relating to future periods, and depending on the tax strategies that the Group may implement, the Group's financial position may be directly affected.

### **Realization of deferred tax assets**

Deferred tax assets represent deductions available to reduce taxable income in future years. The Group evaluates the recoverability of deferred tax assets by assessing the adequacy of future taxable income, including reversal of taxable temporary differences, forecasted earnings and available tax planning strategies. The sources of future taxable income rely heavily on the use of estimates. The Group recognizes deferred tax assets when the Group considers it probable that the deferred tax assets will be recoverable.

## Measurement of obligations under defined benefit plans

The Group operates a number of defined benefit pension plans. Amounts recognized under these plans are determined using actuarial methods. These actuarial valuations involve assumptions regarding discount rates, expected salary increases and the retirement age of employees. These assumptions are reviewed at least annually and reflect estimates as of the measurement date. Any change in these assumptions will impact the amounts reported in the statement of financial position, plus the net pension expense or income that may be recognized in future years.

## 2.19 Adoption of standards and interpretations in 2018 and beyond

A number of new or amended standards and interpretations are effective for annual periods beginning on January 1, 2018 or later and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards and interpretations before their effective dates. Many of the new or amended standards and interpretations are not applicable to the Group or are expected to have no, or no material, impact on the consolidated financial statements. The following standards are the most relevant to the Group.

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 is applicable to all entities and supersedes all existing revenue recognition requirements under IFRS. It applies to all transactions to provide goods and services except those in the scope of other standards. IFRS 15 will be effective for periods beginning on or after January 1, 2018. The Group will adopt IFRS 15 using the standard's full retrospective approach. The Group has completed its assessment of the impact of this new standard and does not expect any material impacts on the Group's consolidated financial statements.

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments*. IFRS 9 replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement* and contains revised requirements in relation to the classification, measurement and presentation of financial instruments, including derivatives. It also includes revised guidance on hedge accounting and impairment testing of financial instruments, as well as clarifications regarding liabilities that do not result in derecognition. IFRS 9 will be effective for periods beginning on or after January 1, 2018. IFRS 9 contains certain exemptions from full retrospective application for the classification and measurement requirements, including impairment. In line with these, the Group will not restate comparative information. Any difference between the previous carrying amount and the carrying amount at the date of initial application will be recognized in opening retained earnings as of January 1, 2018. The Group is in the process of completing its assessment of the potential impact of adopting IFRS 9. With a possible exception of the clarifications relating to modification of liabilities, the Group does not expect any material impacts upon the adoption of IFRS 9 on its consolidated financial statements.

In January 2016, the IASB issued IFRS 16 *Leases*. IFRS 16 replaces the current guidance under IFRS on leases and contains new requirements in relation to the accounting for leases by lessees. Most assets under operating lease contracts will have to be accounted for on-balance sheet by lessees, resulting in an increase of reported assets and liabilities. IFRS 16 will be effective for periods beginning on or after January 1, 2019. The Group is currently evaluating the impact of this new standard.

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### 3. Segment reporting

Information reported to the Group's Chief Operating Decision Maker ("CODM") for the purposes of resource allocation and assessment of performance is focused on the Group's single operating segment. The CODM only receives discrete financial information on a Group level and accordingly does not review operating results on a lower level than the Group level, neither on a product/service level nor for geographical areas.

The business model of the Group is based on providing aseptic carton solutions, comprised of aseptic carton packaging filling machines, aseptic carton packaging sleeves, spouts and caps as well as after-market services.

#### Adjusted EBITDA

The performance of the Group is assessed by the CODM based on Adjusted EBITDA, which is defined as profit or loss before net finance expense, income tax expense, depreciation and amortization, adjusted to exclude certain items of a significant or unusual nature, including but not limited to acquisition costs, restructuring costs, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write-downs and equity method profit, net of cash distributed. Adjusted EBITDA is not a defined performance measure in IFRS.

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
<b>Loss for the period</b>	<b>(96.9)</b>	<b>(39.9)</b>
Net finance expense	238.7	165.0
Income tax expense	26.2	34.9
Depreciation and amortization	265.9	262.1
<b>Earnings before interest, tax, depreciation and amortization ("EBITDA")</b>	<b>433.9</b>	<b>422.1</b>
Adjustments to EBITDA:		
Equity method profit, net of cash distributed	6.2	(2.1)
Restructuring costs, net of reversals	19.4	18.0
Unrealized (gain)/loss on derivatives	(5.2)	(3.6)
Acquisition-related costs and adjustments	-	1.0
Change in contingent purchase price obligation	2.5	32.5
Other	(1.7)	(0.5)
<b>Adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")</b>	<b>455.1</b>	<b>467.4</b>

In the year ended December 31, 2017, change in contingent purchase price obligation represents the increase of the Group's contingent purchase price obligation from €7.5 million to €10 million resulting from the determination of the consideration that related to the 2016 financial year. In the year ended December 31, 2016, change in contingent purchase price obligation represents a combination of the increase of the Group's contingent purchase price obligation resulting from the determination of the consideration that related to the 2015 financial year (an increase of €50 million), and a decrease of management's assessment of the fair value of the contingent purchase price obligation that related to the 2016 financial year (a decrease of €17.5 million). See further notes 4 and 5, and section "Categories of financial instruments and fair value information" in note 20.

The Group initiated restructuring programs focused on reducing costs, streamlining the organization and adjusting headcount to align more closely with the Group's needs going forward in the year ended December 31, 2016. The Group continued to implement these programs and initiated new restructuring programs with the same focus in the year ended December 31, 2017. The programs are expected to be executed over the next two years.

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Other primarily relates to out of period indirect tax recoveries, impairment losses on property, plant and equipment and management fees.

**Information about geographical regions**

The Group operates six manufacturing plants that produce carton sleeves (two in Germany and one in each of Austria, China, Brazil and Thailand). It also operates two assembly facilities for filling machines in Germany and China, a production facility for spouts and caps in Switzerland and a paper mill for the production of liquid paperboard and folding box board in New Zealand. In addition, the Group's joint venture in Saudi Arabia operates a local carton sleeve manufacturing facility. The customer base of the Group includes international companies, large national and regional companies as well as small local companies.

The Group's revenue from external customers and information about its non-current assets (total non-current assets excluding financial instruments, deferred tax assets and post-employment benefit assets) by geographical regions are detailed below. In presenting information on a geographical basis, revenue is reported based on the geographic location of customers, while non-current assets are reported based on the geographic location of the business operations. The non-current assets are pre-dominantly located in the countries in which the Group's manufacturing, assembly and production facilities are situated (see above).

<i>(In € million)</i>	<b>Europe</b>	<b>Asia</b>	<b>Americas</b>	<b>Other <sup>1</sup></b>	<b>Total</b>
<b>External revenue</b>					
Year ended December 31, 2017	656.8	508.4	321.7	177.2	<b>1,664.1</b>
Year ended December 31, 2016	685.7	496.6	289.7	251.8	<b>1,723.8</b>
<b>Non-current assets</b>					
As of December 31, 2017	2,100.7	978.4	491.4	245.9	<b>3,816.4</b>
As of December 31, 2016	2,240.7	976.0	576.9	266.0	<b>4,059.6</b>

<sup>1</sup> Other includes Africa, Middle East and Oceania.

In the years ended December 31, 2017 and December 31, 2016, there was no revenue from external customers in Luxembourg where the Company is domiciled. Non-current assets in Luxembourg were €3.6 million as of December 31, 2017 and €4.7 million as of December 31, 2016.

**Information about major customers**

The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the Group's revenue in any of the periods presented.

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**4. Other income**

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Net foreign currency exchange gain	-	2.3
Net change in fair value of derivatives	5.2	3.6
Income from miscellaneous services	3.6	4.1
Rental income	0.9	0.9
Change in contingent purchase price obligation	-	17.5
Other	2.0	5.8
<b>Total other income</b>	<b>11.7</b>	<b>34.2</b>

Net change in fair value of derivatives consists of fair value changes on commodity and foreign currency exchange derivatives entered into as part of the operating business.

In the year ended December 31, 2016, change in contingent purchase price obligation represents a decrease of management's assessment of the fair value of the contingent purchase price obligation that related to the 2016 financial year. See further section "Categories of financial instruments and fair value information" in note 20.

**5. Other expenses**

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Net foreign currency exchange loss	(3.1)	-
Acquisition-related costs and adjustments	-	(1.0)
Change in contingent purchase price obligation	(2.5)	(50.0)
Other	-	(0.1)
<b>Total other expenses</b>	<b>(5.6)</b>	<b>(51.1)</b>

In the year ended December 31, 2017, change in contingent purchase price obligation represents the increase of the Group's contingent purchase price obligation resulting from the determination of the consideration that related to the 2016 financial year. In the year ended December 31, 2016, change in contingent purchase price obligation represents the increase of the Group's contingent purchase price obligation resulting from the determination of the consideration that related to the 2015 financial year. See further section "Categories of financial instruments and fair value information" in note 20.

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**6. Personnel expenses**

Personnel expenses recognized in the statements of profit and loss and other comprehensive income were €313.4 million in the year ended December 31, 2017 and €311.2 million in the year ended December 31, 2016.

**7. Finance income and expenses**

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Interest income	2.9	1.8
Net change in fair value of derivatives	7.3	12.0
<b>Finance income</b>	<b>10.2</b>	<b>13.8</b>
Interest expense on:		
- Notes	(52.3)	(52.3)
- Senior secured credit facilities	(80.9)	(90.2)
- Finance lease liabilities	(0.2)	-
Amortization of transaction costs and original issue discount	(17.2)	(18.1)
Net foreign currency exchange loss	(86.9)	(7.1)
Interest expense on interest rate swaps	(3.5)	(4.4)
Other	(7.9)	(6.7)
<b>Finance expenses</b>	<b>(248.9)</b>	<b>(178.8)</b>
<b>Net finance expense</b>	<b>(238.7)</b>	<b>(165.0)</b>

*Net change in fair value of derivatives consists of fair value changes on financing-related derivatives.*

In the year ended December 31, 2017, the net foreign exchange loss primarily consists of negative retranslation effects on loans and borrowings resulting from the weakening of the Swiss Franc against the Euro, partially offset by the weakening of the U.S. Dollar against the Swiss Franc. Other finance expenses primarily consist of revolver commitment fees and factoring and securitization expenses.

In the year ended December 31, 2016, the net foreign exchange loss primarily consists of negative retranslation effects on loans and borrowings resulting from the strengthening of the U.S. Dollar against the Swiss Franc, partially offset by the weakening of the Euro against the Swiss Franc and the strengthening of the Brazilian Real against the Euro. Other finance expenses primarily consist of revolver commitment fees and factoring expenses.

Refer to note 15 for information about the Group's loans and borrowings.



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**8. Income tax**

**Amounts recognized in profit or loss**

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Current year	(59.6)	(89.2)
Adjustments for prior years	2.3	(0.9)
<b>Current tax expense</b>	<b>(57.3)</b>	<b>(90.1)</b>
Origination and reversal of temporary differences	34.8	53.8
Tax rate modifications	(1.3)	1.1
Adjustments for prior years	(2.4)	0.3
<b>Deferred tax benefit</b>	<b>31.1</b>	<b>55.2</b>
<b>Income tax expense</b>	<b>(26.2)</b>	<b>(34.9)</b>

**Amounts recognized in other comprehensive income**

The Group has recognized a deferred tax expense of €5.2 million relating to defined benefit plans for the year ended December 31, 2017 and a deferred tax benefit of €0.1 million for the year ended December 31, 2016 in other comprehensive income.

**Reconciliation of effective tax expense**

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
<b>Loss before income tax</b>	<b>(70.7)</b>	<b>(5.0)</b>
Income tax using the Luxembourg tax rate 27.08% (year 2017)	19.1	-
Income tax using the Luxembourg tax rate 29.22% (year 2016)	-	1.5
Effect of tax rates in foreign jurisdictions	(33.3)	(16.2)
Non-deductible expenses	(8.6)	(10.5)
Tax exempt income	7.8	6.8
Withholding tax	(6.6)	(5.9)
Tax rate modifications	(1.3)	1.1
Unrecognized tax losses and temporary differences	(1.6)	(0.8)
Tax uncertainties	(0.2)	(0.5)
Tax on undistributed profits	(1.4)	(9.8)
Over/(under) provided in prior years	(0.1)	(0.6)
<b>Total income tax expense</b>	<b>(26.2)</b>	<b>(34.9)</b>

**Current tax assets and liabilities**

Current tax assets of €2.5 million as of December 31, 2017 (€4.1 million as of December 31, 2016) represent the amount of income taxes recoverable with respect to current and prior years and arise from the payment of tax in excess of the amounts due to the relevant tax authorities. Current tax liabilities of €35.8 million as of December 31, 2017 (€51.1 million as of December 31, 2016) represent the amount of income taxes payable with respect to current and prior years.

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Current tax liabilities include an amount of €2.3 million (€0.0 million as of December 31, 2016) that will be reimbursed by RGHL in line with the share purchase agreement. The same amount has been recognized as part of other receivables.

**Recognized deferred tax assets and liabilities**

<i>(In € million)</i>	Property, plant and equipment	Intangible assets	Employee benefits	Tax loss carry- forwards	Other items	Net deferred tax assets/ (liabilities)
<b>Carrying amount as of January 1, 2016</b>	(104.8)	(223.0)	(0.8)	11.9	5.3	<b>(311.4)</b>
Recognized in profit or loss	8.6	22.1	2.2	(3.2)	25.5	<b>55.2</b>
Recognized in other comprehensive income	-	-	0.1	-	-	<b>0.1</b>
Effect of movements in exchange rates	(1.5)	(5.4)	(0.2)	1.6	0.5	<b>(5.0)</b>
<b>Carrying amount as of December 31, 2016</b>	<b>(97.7)</b>	<b>(206.3)</b>	<b>1.3</b>	<b>10.3</b>	<b>31.3</b>	<b>(261.1)</b>
<b>Carrying amount as of January 1, 2017</b>	<b>(97.7)</b>	<b>(206.3)</b>	<b>1.3</b>	<b>10.3</b>	<b>31.3</b>	<b>(261.1)</b>
Recognized in profit or loss	2.3	20.0	0.5	(1.7)	10.0	<b>31.1</b>
Recognized in other comprehensive income	-	-	(5.2)	-	-	<b>(5.2)</b>
Effect of movements in exchange rates	2.5	10.0	1.5	(0.9)	(2.5)	<b>10.6</b>
<b>Carrying amount as of December 31, 2017</b>	<b>(92.9)</b>	<b>(176.3)</b>	<b>(1.9)</b>	<b>7.7</b>	<b>38.8</b>	<b>(224.6)</b>

The net deferred tax assets for other items mainly relate to inventories, receivables, deferred revenue and derivatives.

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Included in the statement of financial position as:		
Deferred tax assets	2.9	2.3
Deferred tax liabilities	(227.5)	(263.4)
<b>Total recognized net deferred tax liabilities</b>	<b>(224.6)</b>	<b>(261.1)</b>

**Unrecognized deferred tax assets**

Deferred tax assets have not been recognized with respect to tax losses in the amount of €9.9 million as of December 31, 2017 (€9.6 million as of December 31, 2016) because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. The unrecognized tax losses do not expire under the current local tax legislations.

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**9. Trade and other receivables**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Trade receivables	176.6	157.4
Provisions for doubtful debts	(3.5)	(4.5)
<b>Total trade receivables, net of provision for doubtful debts</b>	<b>173.1</b>	<b>152.9</b>
Related party trade receivables	23.8	39.4
Related party loan receivables	0.5	1.1
Note receivables	35.3	43.8
VAT receivables	16.3	24.3
Other receivables	38.3	31.9
<b>Total current trade and other receivables</b>	<b>287.3</b>	<b>293.4</b>
Non-current VAT receivables	2.1	-
Other non-current receivables	5.8	6.3
<b>Total non-current receivables</b>	<b>7.9</b>	<b>6.3</b>
<b>Total current and non-current receivables</b>	<b>295.2</b>	<b>299.7</b>

**Aging of trade receivables, net of provisions for doubtful debts**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Current	145.3	133.0
Past due up to 29 days	21.0	15.0
Past due 30 days to 89 days	3.7	4.3
Past due more than 90 days	3.1	0.6
<b>Total trade receivables, net of provision for doubtful debts</b>	<b>173.1</b>	<b>152.9</b>

Management believes that the recognized provision for doubtful debts sufficiently covers the risk of default based on historical payment behavior and analysis of customer credit risk.

**Securitization program**

The Group entered into an asset-backed securitization program in the first quarter of 2017 under which it sells a portion of its sleeves related trade receivables without recourse to a special purpose entity. This entity is not controlled, and therefore not consolidated, by the Group. The trade receivables sold qualify for derecognition by the Group. The Group transfers the contractual rights to the cash flows of the trade receivables at their nominal value minus a retained reserve in exchange for cash. The net amount is presented as part of other current receivables and represents the Group's right to receive this amount once the trade receivables sold have been settled by the customers.

Trade receivables sold under the securitization program amounted to €99.3 million as of December 31, 2017, of which €83.9 million has been derecognized and €15.4 million, representing the retained reserve, is presented as part of other current receivables. The retained reserve represents the Group's maximum exposure to any losses in respect of trade receivables previously sold under the program. The interest expense paid under the asset-backed securitization program amounted to €1.2 million in the year ended December 31, 2017 and is presented as part of other finance expenses.

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**Factoring programs**

The new securitization program replaced the Group's non-recourse factoring program under which trade receivables sold to the factoring parties qualified for derecognition by the Group. The Group maintains a minor factoring program under which trade receivables sold by the Group qualify for derecognition. The factored amounts totaled €23.0 million as of December 31, 2017 (€101.7 million as of December 31, 2016). The interest expense paid under the factoring program amounted to €0.7 million in the year ended December 31, 2017 (€1.5 million as of December 31, 2016) and is presented as part of other finance expenses.

**10. Inventories**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Raw materials and consumables	51.0	49.9
Work in progress	13.6	17.1
Finished goods	57.8	58.6
<b>Total inventories</b>	<b>122.4</b>	<b>125.6</b>

As of December 31, 2017, inventories included a provision of €13.2 million due to write-downs to net realizable value (€11.1 million as of December 31, 2016).

Raw materials and consumables recognized as an expense in cost of sales in the statement of profit and loss and other comprehensive income amounted to €666.7 million in the year ended December 31, 2017 (€719.7 million in the year ended December 31, 2016).

**11. Property, plant and equipment**

**Carrying amount**

<i>(In € million)</i>	Land	Buildings	Plant and equipment	Work in progress	Leased assets lessor	Total
Cost	41.8	174.3	508.5	157.8	422.4	1,304.8
Accumulated depreciation and impairment losses	-	(18.0)	(162.0)	-	(96.0)	(276.0)
<b>Carrying amount as of December 31, 2016</b>	<b>41.8</b>	<b>156.3</b>	<b>346.5</b>	<b>157.8</b>	<b>326.4</b>	<b>1,028.8</b>
Cost	39.7	168.1	495.4	209.2	489.1	1,401.5
Accumulated depreciation and impairment losses	-	(26.1)	(221.4)	-	(138.6)	(386.1)
<b>Carrying amount as of December 31, 2017</b>	<b>39.7</b>	<b>142.0</b>	<b>274.0</b>	<b>209.2</b>	<b>350.5</b>	<b>1,015.4</b>
<b>Carrying amount as of January 1, 2016</b>	<b>39.9</b>	<b>154.1</b>	<b>368.1</b>	<b>104.4</b>	<b>293.9</b>	<b>960.4</b>
Additions	-	1.0	14.4	164.3	5.2	184.9
Disposals	-	-	(1.8)	-	(0.7)	(2.5)
Depreciation	-	(9.9)	(89.9)	-	(58.9)	(158.7)
Transfers	-	5.2	39.9	(116.7)	71.6	-
Effect of movements in exchange rates	1.9	5.9	15.8	5.8	15.3	44.7
<b>Carrying amount as of December 31, 2016</b>	<b>41.8</b>	<b>156.3</b>	<b>346.5</b>	<b>157.8</b>	<b>326.4</b>	<b>1,028.8</b>

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<i>(In € million)</i>	Land	Buildings	Plant and equipment	Work in progress	Leased assets lessor	Total
<b>Carrying amount as of January 1, 2017</b>	<b>41.8</b>	<b>156.3</b>	<b>346.5</b>	<b>157.8</b>	<b>326.4</b>	<b>1,028.8</b>
Additions	-	1.3	11.3	201.6	9.6	223.8
Disposals	-	-	(8.2)	(5.2)	(0.3)	(13.7)
Depreciation	-	(10.0)	(86.6)	-	(66.6)	(163.2)
Impairment losses	-	-	(0.9)	-	(1.0)	(1.9)
Transfers	-	0.7	31.2	(135.5)	104.2	0.6
Effect of movements in exchange rates	(2.1)	(6.3)	(19.3)	(9.5)	(21.8)	(59.0)
<b>Carrying amount as of December 31, 2017</b>	<b>39.7</b>	<b>142.0</b>	<b>274.0</b>	<b>209.2</b>	<b>350.5</b>	<b>1,015.4</b>

Leased assets comprise filling lines that are deployed at customers' sites under contracts accounted for as operating lease contracts. Work in progress relates to construction of filling machines to be deployed at customers' sites and to construction of various types of production equipment used by the Group in its manufacturing plants and assembly facilities.

The Group leases a facility and production equipment under contracts accounted for as finance lease contracts. The net carrying amount of leased assets was €13.0 million as of December 31, 2017 (€0.7 million as of December 31, 2016).

#### Depreciation

Depreciation of property, plant and equipment is recognized in the following components in the statement of profit or loss and other comprehensive income.

<i>(In € million)</i>	Year ended December 31, 2017	Year ended December 31, 2016
Cost of sales	158.2	154.0
Selling, marketing and distribution expenses	1.4	1.1
General and administrative expenses	3.6	3.6
<b>Total depreciation</b>	<b>163.2</b>	<b>158.7</b>

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**12. Intangible assets**

**Carrying amount**

<i>(In € million)</i>	<b>Goodwill</b>	<b>Trademarks</b>	<b>Customer relationships</b>	<b>Technology and other assets</b>	<b>Total</b>
Cost	1,630.4	312.9	653.3	373.2	2,969.8
Accumulated amortization and impairment losses	-	-	(117.5)	(72.3)	(189.8)
<b>Carrying amount as of December 31, 2016</b>	<b>1,630.4</b>	<b>312.9</b>	<b>535.8</b>	<b>300.9</b>	<b>2,780.0</b>
Cost	1,577.5	287.1	629.4	345.6	2,839.6
Accumulated amortization and impairment losses	-	-	(176.1)	(102.5)	(278.6)
<b>Carrying amount as of December 31, 2017</b>	<b>1,577.5</b>	<b>287.1</b>	<b>453.3</b>	<b>243.1</b>	<b>2,561.0</b>
<b>Carrying amount as of January 1, 2016</b>	<b>1,611.2</b>	<b>310.2</b>	<b>585.4</b>	<b>333.7</b>	<b>2,840.5</b>
Additions	-	-	-	4.1	4.1
Amortization	-	-	(64.0)	(39.4)	(103.4)
Effect of movements in exchange rates	19.2	2.7	14.4	2.5	38.8
<b>Carrying amount as of December 31, 2016</b>	<b>1,630.4</b>	<b>312.9</b>	<b>535.8</b>	<b>300.9</b>	<b>2,780.0</b>
<b>Carrying amount as of January 1, 2017</b>	<b>1,630.4</b>	<b>312.9</b>	<b>535.8</b>	<b>300.9</b>	<b>2,780.0</b>
Additions	-	-	-	3.4	3.4
Disposals	-	-	-	(0.1)	(0.1)
Amortization	-	-	(64.2)	(38.5)	(102.7)
Effect of movements in exchange rates	(52.9)	(25.8)	(18.3)	(22.6)	(119.6)
<b>Carrying amount as of December 31, 2017</b>	<b>1,577.5</b>	<b>287.1</b>	<b>453.3</b>	<b>243.1</b>	<b>2,561.0</b>

The trademarks are assessed to have an indefinite useful life considering the long history of the SIG brand and its expected future continuous use.

**Amortization**

Amortization of intangible assets is recognized in the following components in the statements of profit or loss and other comprehensive income.

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Cost of sales	66.5	66.9
Selling, marketing and distribution expenses	0.1	0.1
General and administrative expenses	36.1	36.4
<b>Total amortization</b>	<b>102.7</b>	<b>103.4</b>

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**Impairment testing of goodwill and indefinite life intangible assets**

Goodwill with carrying amount of €1,577.5 million as of December 31, 2017 (€1,630.4 million as of December 31, 2016) and trademarks with an indefinite useful life with a carrying amount of €287.1 million as of December 31, 2017 (€312.9 million as of December 31, 2016) are not subject to amortization but tested for impairment on an annual basis and whenever there is an impairment indicator.

Goodwill is tested for impairment on the Group level. The Group represents the lowest level at which goodwill is monitored for internal management purposes and is not larger than an operating segment (before aggregation). Trademarks are also tested for impairment on the Group level as they do not generate cash inflows on their own and all SIG entities benefit from the trademarks. The Group is accordingly the cash generating unit that is tested for annual impairment to determine if goodwill and trademarks are impaired.

An impairment loss is recognized if the carrying amount of the Group would exceed its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal.

For goodwill and trademarks, fair value less costs of disposal has been estimated. The fair value has been estimated using the actual adjusted EBITDA result for the last twelve months ended September 30, 2017 (last twelve months ended September 30, 2016) multiplied by an earnings multiple. An earnings multiple of 9.5x (9.3x for the comparative period) has been applied, which is consistent with the prudent end of the range of earnings multiples of comparative companies in the packaging industry. Costs of disposal were estimated to be 1.25% of the fair value for both periods, which is consistent with the prudent end of the range of estimates based on historical experience of the ultimate owner of the Group. No impairment was identified.

As the earnings multiple and disposal cost assumptions are already at the prudent end of the estimate range, management considers it unlikely that any realistic change in these assumptions would result in an impairment loss. However, adjusted EBITDA is sensitive to movements. A decrease of adjusted EBITDA of more than 5.9% in the current period would result in an impairment loss (assuming all other assumptions remain constant). For the comparative period, a decrease of adjusted EBITDA of more than 1.6% would have resulted in an impairment loss.

The assessment of fair value is categorized as level 3 fair value based on the inputs used in the valuation technique.

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**13. Investments in joint ventures**

The Group has investments in two joint ventures:

	<b>Reporting date</b>	<b>Country of incorporation</b>	<b>Interest held 2017</b>	<b>Interest held 2016</b>
SIG Combibloc Obeikan Company Limited	Dec. 31	Saudi Arabia	50%	50%
SIG Combibloc Obeikan FZCO	Dec. 31	U.A.E	50%	50%

SIG Combibloc Obeikan Company Limited operates a carton sleeve manufacturing facility in Saudi Arabia. Both the joint ventures deploy filling lines in the Middle East and Africa and provide sleeves and other associated products and services to their customers.

**Summary financial information**

The following tables provide summary financial information about the two joint ventures, representing the amounts presented in the IFRS financial statements of the joint ventures and not adjusted for the Group's ownership percentage:

<i>(In € million)</i>	<b>Current assets</b>	<b>Non-current assets</b>	<b>Total assets</b>	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total liabilities</b>	<b>Net assets</b>
<b>December 31, 2017</b>							
SIG Combibloc Obeikan Company Limited, Saudi Arabia	70.4	88.1	158.5	60.1	44.4	104.5	54.0
SIG Combibloc Obeikan FZCO, U.A.E.	99.5	122.9	222.4	85.1	80.0	165.1	57.3
<b>Total</b>	<b>169.9</b>	<b>211.0</b>	<b>380.9</b>	<b>145.2</b>	<b>124.4</b>	<b>269.6</b>	<b>111.3</b>
<b>December 31, 2016</b>							
SIG Combibloc Obeikan Company Limited, Saudi Arabia	90.0	104.5	194.5	97.7	56.8	154.5	40.0
SIG Combibloc Obeikan FZCO, U.A.E.	102.0	123.9	225.9	61.5	74.0	135.5	90.4
<b>Total</b>	<b>192.0</b>	<b>228.4</b>	<b>420.4</b>	<b>159.2</b>	<b>130.8</b>	<b>290.0</b>	<b>130.4</b>

<i>(In € million)</i>	<b>Revenue</b>	<b>Expenses</b>	<b>Profit after tax</b>
<b>2017</b>			
SIG Combibloc Obeikan Company Limited, Saudi Arabia	177.4	(156.3)	21.1
SIG Combibloc Obeikan FZCO, U.A.E.	237.7	(221.2)	16.5
<b>Total</b>	<b>415.1</b>	<b>(377.5)</b>	<b>37.6</b>
<b>2016</b>			
SIG Combibloc Obeikan Company Limited, Saudi Arabia	181.1	(163.3)	17.8
SIG Combibloc Obeikan FZCO, U.A.E.	243.0	(217.9)	25.1
<b>Total</b>	<b>424.1</b>	<b>(381.2)</b>	<b>42.9</b>



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**Carrying amount**

<i>(In € million)</i>	Year ended December 31, 2017	Year ended December 31, 2016
<b>Carrying amount as of the beginning of the period</b>	<b>219.7</b>	<b>216.3</b>
Share of profit, net of income tax	18.8	21.4
Dividends received	(25.0)	(19.3)
Effect of movements in exchange rates	(6.3)	1.5
Other	(0.3)	(0.2)
<b>Carrying amount as of the end of the period</b>	<b>206.9</b>	<b>219.7</b>
<b>Amount of goodwill in carrying amount of joint ventures</b>	<b>151.2</b>	<b>154.5</b>

**Other**

There are currently no restrictions with respect to the transfer of funds from the joint ventures to the Group in the form of cash dividends or repayment of capital contributions. With respect to SIG Combibloc Obeikan FZCO and the year ended December 31, 2016, the maximum dividend or cash distribution that could be paid to the Group could not exceed 75% of the prior year's profit.

As of December 31, 2017, the Group has €24.3 million of guarantees given to banks granting credit facilities to SIG Combibloc Obeikan Company Limited (€26.2 million as of December 31, 2016).

**14. Trade and other payables**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Trade payables	152.7	165.1
Related party payables	0.1	2.5
Accruals for various customer incentive programs	107.2	87.7
VAT payables	8.8	12.4
Accrued interest third parties	20.1	19.9
Other payables and accrued expenses	121.2	99.1
<b>Total current trade and other payables</b>	<b>410.1</b>	<b>386.7</b>
Non-current payables	4.7	1.8
<b>Total non-current payables</b>	<b>4.7</b>	<b>1.8</b>
<b>Total trade and other payables</b>	<b>414.8</b>	<b>388.5</b>

The Group has in the current year changed its presentation of deferred revenue and a deferred option premium to be presented as part of Other liabilities rather than as Trade and other payables. The comparative amounts have been reclassified. See also notes 2.4 and 18.

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**15. Loans and borrowings**

**Overview**

The table below shows the carrying amount of the Group's loans and borrowings.

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Senior secured credit facilities	20.7	22.1
Finance lease liabilities	1.7	0.2
<b>Current loans and borrowings</b>	<b>22.4</b>	<b>22.3</b>
Notes	675.9	676.2
Senior secured credit facilities	1,847.7	2,023.6
Finance lease liabilities	10.6	0.3
<b>Non-current loans and borrowings</b>	<b>2,534.2</b>	<b>2,700.1</b>
<b>Total loans and borrowings</b>	<b>2,556.6</b>	<b>2,722.4</b>

The following table presents the components of the carrying amount of the loans and borrowings.

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
<b>Notes</b>		
Principal amount	675.0	675.0
Deferred transaction costs	(22.4)	(25.7)
Bifurcated embedded derivative	23.3	26.9
<b>Carrying amount of notes</b>	<b>675.9</b>	<b>676.2</b>
<b>Senior secured credit facilities</b>		
Principal amount (including repayments)	1,939.4	2,140.2
Deferred original issue discount	(6.3)	(8.4)
Deferred transaction costs	(53.4)	(69.2)
Bifurcated embedded derivatives	(11.3)	(16.9)
<b>Carrying amount of senior secured credit facilities</b>	<b>1,868.4</b>	<b>2,045.7</b>
<b>Carrying amount of finance lease liabilities</b>	<b>12.3</b>	<b>0.5</b>
<b>Total loans and borrowings</b>	<b>2,556.6</b>	<b>2,722.4</b>

**Notes**

On February 10, 2015, the SIG Combibloc Holdings S.C.A. issued €675 million aggregate principal amount of 7.75% senior notes due on February 15, 2023. The interest due on the notes is payable semi-annually. The notes are traded on the Global Exchange Market of the Irish Stock Exchange. The fair value of the notes is €704 million as of December 31, 2017 (€726 million as of December 31, 2016)

The notes are redeemable at par between February 15, 2020 and February 15, 2023. The notes may under certain circumstances be redeemed earlier, but at a higher redemption price. The Group separately accounts for an embedded derivative in respect of its early redemption option relating to the notes, which is presented as part of other non-current assets in the statement of financial position.

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The obligations under the notes are guaranteed on a senior subordinated basis by group subsidiaries in Luxembourg, Switzerland, the United States, Germany, Brazil, Austria, the United Kingdom and New Zealand. The indenture governing the notes contains customary restrictive covenants. It also contains customary events of default. The Group was in compliance with all covenants and there were no events of default as of December 31, 2017 and December 31, 2016.

**Senior secured credit facilities**

The Group's senior secured credit facilities consist of a Euro-denominated seven year term loan facility of €1,050 million and a U.S. Dollar-denominated seven year term loan facility of \$1,225 million. The term loans mature in March 2022, but can be repaid in whole or part at any time before maturity (without premium or penalty, subject to the soft call premium referred to below). The fair value of the term loans is €1,949 million as of December 31, 2017 (€2,156 million as of December 31, 2016).

The interest terms on the U.S. Dollar-denominated term loan facility are LIBOR with a floor of 1.00% plus a margin of 3.00%.

The Group completed a re-pricing of its Euro-denominated term loan facility, with an effective date of October 13, 2017. The margin decreased from Euribor 3.75% to 3.25% while the floor of 0% remained unchanged. A 1.00% soft call premium was agreed to the extent that the term loan is re-priced within six months of the re-pricing effective date. Directly related transaction costs that were incurred to execute the modification of the credit agreement adjusted the carrying amount of the Euro-denominated term loan and will be amortised over the remaining term of the loan.

The term loans will be repaid in equal quarterly installments of 0.25% of the principal amounts, with the remaining balance due at maturity. Interest is paid on a monthly basis.

In November 2017, the Group voluntarily repaid €46.7 million of its U.S. Dollar-denominated term loan in addition to the required quarterly repayment. In December 2016, the Group voluntarily repaid €33.2 million of its U.S. Dollar-denominated term loan.

The Group separately accounts for two embedded derivatives in respect of the embedded interest rate floors in the term loans, which are presented as part of other current and non-current liabilities in the statement of financial position.

The obligations under the senior secured credit facilities are guaranteed by group subsidiaries in Luxembourg, Switzerland, the United States, Germany, Brazil, Austria, the United Kingdom and New Zealand. As of December 31, 2017, 66% of the Group's assets are pledged as collateral under the senior secured credit facilities (68% as of December 31, 2016). The credit agreement contains customary confirmative and negative covenants. It also contains customary events of default. The Group was in compliance with all covenants and there were no events of default as of December 31, 2017 and December 31, 2016.

The senior secured credit facilities also include a multi-currency revolving credit facility of €260 million, which matures in March 2021. The applicable margin for the Euro-currency amounts drawn under the revolving credit facility is 3.0%. The Group pays 1.125% of the undrawn revolver amount per year for the right to use the revolving credit facility. The amount available under the revolving credit facility is €255.8 million as of December 31, 2017 (€257.4 million as of December 31, 2016) due to €4.2 million of letters of credit outstanding under an ancillary facility (€2.6 million as of December 31, 2016).

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**Finance lease liabilities**

Finance lease liabilities are payable as follows.

<i>(In € million)</i>	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2017	2016	2017	2016	2017	2016
Less than 1 year	1.9	0.2	0.2	-	1.7	0.2
Between 1 and 5 years	9.2	0.3	0.7	-	8.5	0.3
More than 5 years	2.2	-	0.1	-	2.1	-
	<b>13.3</b>	<b>0.5</b>	<b>1.0</b>	<b>-</b>	<b>12.3</b>	<b>0.5</b>

In the year ended December 31, 2017, the Group entered into sale (at carrying amount) and leaseback transactions relating to one of its facilities and to some of its production equipment that resulted in finance leases with corresponding initial liabilities in the total amount of €13.1 million.

**Changes in liabilities arising from financing activities**

<i>(In € million)</i>	Jan. 1 2017	Cash flows from/(used in)		Fair value changes and other non cash movements	Effect of movements in exchange rates	Dec. 31 2017
		financing activities	operating activities			
Principal	2,815.2	(67.9)	-	-	(132.9)	2,614.4
Deferred transaction costs	(94.9)	(1.5)	-	16.7	3.9	(75.8)
Original issue discount	(8.4)	-	-	1.7	0.4	(6.3)
Embedded derivatives	10.0	-	-	-	2.0	12.0
<b>Loans and borrowings, excluding finance lease liabilities</b>	<b>2,721.9</b>	<b>(69.4)</b>	<b>-</b>	<b>18.4</b>	<b>(126.6)</b>	<b>2,544.3</b>
Finance lease liabilities	0.5	11.8	-	-	-	12.3
<b>Total loans and borrowings</b>	<b>2,722.4</b>	<b>(57.6)</b>	<b>-</b>	<b>18.4</b>	<b>(126.6)</b>	<b>2,556.6</b>
Capitalized cost for revolving credit facility	(4.7)	-	-	1.1	-	(3.6)
Interest: Accrued/paid	19.9	-	(140.1)	140.3	-	20.1
	<b>2,737.6</b>	<b>(57.6)</b>	<b>(140.1)</b>	<b>159.8</b>	<b>(126.6)</b>	<b>2,573.1</b>
Derivative (assets)/liabilities arising from financing activities	(49.3)	-	(3.5)	(3.7)	-	(56.5)
Deferred option premium	5.3	-	-	(2.7)	-	2.6
<b>Total (assets)/liabilities from financing activities and cash/non-cash changes</b>	<b>2,693.6</b>	<b>(57.6)</b>	<b>(143.6)</b>	<b>153.4</b>	<b>(126.6)</b>	<b>2,519.2</b>

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**16. Employee benefits**

**Overview of employee benefit liabilities**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Salaries and wages accrued	19.1	25.0
Provision for annual leave	7.4	7.6
Provision for other employee benefits	0.7	1.0
Defined benefit obligations:		
Pension benefits	106.4	108.3
<b>Total employee benefits</b>	<b>133.6</b>	<b>141.9</b>
Current	26.5	32.6
Non-current	107.1	109.3
<b>Total employee benefits</b>	<b>133.6</b>	<b>141.9</b>

**Defined benefit obligations**

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in countries including Austria, France, Germany, Indonesia, Switzerland, Taiwan and Thailand. The majority of the Group's pension obligations are in Switzerland and subject to governmental regulations relating to the funding of the retirement plans. The Group generally funds its retirement plans equal to the annual minimum funding requirements specified by government regulations covering each plan. The Group has generally provided aggregated disclosures in respect of these plans on the basis that these plans are not exposed to materially different risks.

The Group's largest pension plan is the Swiss Retirement Plan. As of December 31, 2017, the Swiss Retirement Plan comprises 78% (80% as of December 31, 2016) of the Group's present value of pension plan obligations. Therefore, certain information applicable to the Swiss Retirement Plan has been separately disclosed. As of December 31, 2017, the Swiss Retirement Plan assets exceeded the present value of its pension obligations by €131.3 million (€117.8 million as of December 31, 2016). An assessment of the investment strategy of the Swiss Retirement Plan is performed yearly.

Expected annual contributions to the Group's defined benefit pension plans during the year ending December 31, 2018 are estimated to be €5.0 million. The Group's pension plans had a weighted average duration of 13 years as of December 31, 2017 (12 years as of December 31, 2016).

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**Movement in net defined benefit obligation**

Information about the net defined benefit obligation as of and for the year ended December 31, 2017 (the columns labelled 2017) and the year ended December 31, 2016 (the columns labelled 2016) is included below.

<i>(In € million)</i>	<b>Defined benefit obligation</b>		<b>Fair value of plan assets</b>		<b>Net defined benefit liability/(asset)</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Carrying amount as of the beginning of the year</b>	<b>551.6</b>	<b>550.9</b>	<b>(561.1)</b>	<b>(558.7)</b>	<b>(9.5)</b>	<b>(7.8)</b>
Service cost	7.4	8.6	-	-	7.4	8.6
Interest cost/(income)	3.9	4.1	(2.5)	(2.5)	1.4	1.6
Administrative expenses	-	-	0.5	0.5	0.5	0.5
Curtailments	-	(0.1)	-	-	-	(0.1)
<b>Total expense/(income) recognized in profit or loss</b>	<b>11.3</b>	<b>12.6</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>9.3</b>	<b>10.6</b>
Actuarial (gains)/losses arising from:						
Demographic assumptions	4.7	8.6	-	-	4.7	8.6
Financial assumptions	(2.6)	7.8	-	-	(2.6)	7.8
Return on plan assets, excluding interest income	-	-	(33.0)	(23.1)	(33.0)	(23.1)
<b>Total remeasurement (gains)/losses included in other comprehensive income</b>	<b>2.1</b>	<b>16.4</b>	<b>(33.0)</b>	<b>(23.1)</b>	<b>(30.9)</b>	<b>(6.7)</b>
Contributions by the Group	-	-	(4.5)	(4.7)	(4.5)	(4.7)
Contributions by plan participants	1.6	1.6	(1.6)	(1.6)	-	-
Benefits paid by the plans	(30.8)	(33.9)	30.8	33.9	-	-
Effect of movements in exchange rates	(35.6)	4.0	46.3	(4.9)	10.7	(0.9)
<b>Total other movements</b>	<b>(64.8)</b>	<b>(28.3)</b>	<b>71.0</b>	<b>22.7</b>	<b>6.2</b>	<b>(5.6)</b>
<b>Carrying amount as of the end of the year</b>	<b>500.2</b>	<b>551.6</b>	<b>(525.1)</b>	<b>(561.1)</b>	<b>(24.9)</b>	<b>(9.5)</b>
Comprised of:						
Swiss Retirement Plan	389.3	438.9	(520.6)	(556.7)	(131.3)	(117.8)
All other plans	110.9	112.7	(4.5)	(4.4)	106.4	108.3
<b>Carrying amount as of the end of the year</b>	<b>500.2</b>	<b>551.6</b>	<b>(525.1)</b>	<b>(561.1)</b>	<b>(24.9)</b>	<b>(9.5)</b>
Included in the statement of financial position as:						
Other non-current assets					(131.3)	(117.8)
Employee benefits/(liability)					106.4	108.3
<b>Total net defined pension benefits</b>					<b>(24.9)</b>	<b>(9.5)</b>

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**Expense recognized in profit or loss**

The net pension expense is recognized in the following components in the statement of profit or loss and comprehensive income.

<i>(In € million)</i>	Year ended December 31, 2017	Year ended December 31, 2016
Cost of sales	4.1	4.3
Selling, marketing and distribution expenses	0.9	1.0
General and administrative expenses	4.3	5.3
<b>Total net pension expense</b>	<b>9.3</b>	<b>10.6</b>
thereof Swiss Retirement Plan	5.1	6.4

**Plan assets**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Equity instruments	133.5	152.9
Debt instruments	213.7	236.4
Real estate	146.0	153.7
Other	31.9	18.1
<b>Total plan assets</b>	<b>525.1</b>	<b>561.1</b>

Approximately 99% of total plan assets are held by the Swiss Retirement Plan as of December 31, 2017 (99% as of December 31, 2016). The debt instruments consist principally of corporate and government bonds. The equity and debt instrument values are based on quoted market prices in active markets. The real estate is held through unlisted funds. The investment policy of the Swiss Retirement Plan is to target an asset mix of around 25% equity instruments, 45% debt instruments, 25% real estate funds and hold 5% in cash.

**Actuarial assumptions**

<i>(In € million)</i>	<b>Swiss Retirement Plan</b>		<b>All plans</b>	
	As of December 31, 2017	As of December 31, 2016	As of December 31, 2017	As of December 31, 2016
Discount rates	0.55%	0.45%	0.55% - 6.50%	0.45% - 8.25%
Future salary increases	1.50%	2.00%	0.0% - 9.0%	0.0% - 9.0%

While the Swiss Retirement Plan does not provide for compulsory benefit increases for pensioners, increases have been granted at the discretion of the foundation board, depending on the current funding situation. The mortality table used by the plan for 2017 and 2016 was BVG 2015 GT.

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**Sensitivity analysis**

The assumed discount rate and future salary increases are the assumptions with the most significant effect on the amount of the defined benefit obligation. The table below shows the effect on the defined benefit obligation of a change in these assumptions.

<i>(In € million)</i>	<b>Swiss Retirement Plan</b>		<b>All plans</b>	
	<b>As of December 31, 2017</b>	<b>As of December 31, 2016</b>	<b>As of December 31, 2017</b>	<b>As of December 31, 2016</b>
<b>Discount rates</b>				
0.5% increase	(1.2)	(2.1)	(9.5)	(10.3)
0.5% decrease	4.2	4.9	13.6	14.3
<b>Future salary increases</b>				
0.5% increase	1.0	1.7	1.8	2.5
0.5% decrease	(1.0)	(1.6)	(1.7)	(2.3)

**17. Provisions**

<i>(In € million)</i>	<b>Product</b>			<b>Other</b>	<b>Total</b>
	<b>Legal</b>	<b>warranty</b>	<b>Restructuring</b>		
<b>Carrying amount as of January 1, 2016</b>	<b>2.3</b>	<b>7.4</b>	<b>6.1</b>	<b>131.5</b>	<b>147.3</b>
Provisions made	0.3	7.9	18.2	53.8	80.2
Provisions used	(0.1)	(5.4)	(6.3)	(150.1)	(161.9)
Provisions reversed	(1.1)	(1.6)	(0.2)	(18.3)	(21.2)
Effect of movements in exchange rates	-	0.1	-	(0.4)	(0.3)
<b>Carrying amount as of December 31, 2016</b>	<b>1.4</b>	<b>8.4</b>	<b>17.8</b>	<b>16.5</b>	<b>44.1</b>
Current	0.2	8.4	9.1	8.3	26.0
Non-current	1.2	-	8.7	8.2	18.1
<b>Carrying amount as of December 31, 2016</b>	<b>1.4</b>	<b>8.4</b>	<b>17.8</b>	<b>16.5</b>	<b>44.1</b>
<b>Carrying amount as of January 1, 2017</b>	<b>1.4</b>	<b>8.4</b>	<b>17.8</b>	<b>16.5</b>	<b>44.1</b>
Provisions made	0.5	8.9	19.9	7.2	36.5
Provisions used	(0.1)	(6.4)	(12.4)	(11.3)	(30.2)
Provisions reversed	(0.1)	(3.5)	(0.5)	(2.2)	(6.3)
Effect of movements in exchange rates	(0.1)	(0.2)	(0.1)	(0.9)	(1.3)
<b>Carrying amount as of December 31, 2017</b>	<b>1.6</b>	<b>7.2</b>	<b>24.7</b>	<b>9.3</b>	<b>42.8</b>
Current	0.3	7.2	16.5	0.3	24.3
Non-current	1.3	-	8.2	9.0	18.5
<b>Carrying amount as of December 31, 2017</b>	<b>1.6</b>	<b>7.2</b>	<b>24.7</b>	<b>9.3</b>	<b>42.8</b>

**Restructuring provision**

The restructuring provision relates primarily to restructuring programs focused on reducing costs, streamlining the organization and adjusting headcount to align more closely with the Group's needs going forward. The programs are expected to be executed over the next two years.



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**Other provisions**

The changes of other provisions in the current and comparative years mainly relate to the Group's contingent purchase price obligation related to the 2015 and 2016 financial years (see further note 3 and section "Categories of financial instruments and fair value information" in note 20). The Group's provision for costs arising upon dismantling of filling lines is also included in other provisions.

**18. Other liabilities**

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Current deferred revenue	25.9	19.6
Current derivative liabilities	8.3	15.6
<b>Total other current liabilities</b>	<b>34.2</b>	<b>35.2</b>
Non-current deferred revenue	74.4	54.1
Deferred option premium	2.6	5.3
Non-current derivative liabilities	12.6	25.6
<b>Total other non-current liabilities</b>	<b>89.6</b>	<b>85.0</b>
<b>Total other current and non-current liabilities</b>	<b>123.8</b>	<b>120.2</b>

The Group has in the current year changed its presentation of deferred revenue and a deferred option premium to be presented as part of Other liabilities rather than as Trade and other payables. The comparative amounts have been reclassified. See also notes 2.4 and 14.

**19. Capital and reserves**

The share capital of SIG Combibloc Group Holdings S.à r.l. is held indirectly by Onex Corporation, certain members of Group management and a number of co-investors.

As of December 31, 2015, the share capital consists of 214,864,619 shares totaling €1,155.0 million, of which €2.1 million is share capital and €1,152.9 million is additional paid-in capital.

On August 31, 2016, additional equity contributions of €0.6 million were made. An additional 95,928 shares with a nominal value of €0.01 per share were issued and fully paid, of which €0.0 million of share capital and additional paid-in capital of €0.6 million.

As of December 31, 2016, the share capital consists of 214,960,547 shares totaling €1,155.6 million, of which €2.1 million is share capital and €1,153.5 million is additional paid-in capital.

On June 30, 2017, additional equity contributions of €0.7 million were made. An additional 92,693 shares with a nominal value of €0.01 per share were issued and fully paid, of which €0.1 million of share capital and additional paid-in capital of €0.6 million.

As of December 31, 2017, the share capital consists of 215,053,240 shares totaling €1,156.3 million, of which €2.2 million is share capital and €1,154.1 million is additional paid-in capital.

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The table below provides an overview of the shares issued as of December 31, 2017, all fully paid.

<i>Number of shares</i>	<b>Initial ordinary shares</b>	<b>Ordinary shares (class A1-A5)</b>	<b>Non- redeemable preference shares (class P1-P5)</b>	<b>Total shares</b>
<b>Balance as of December 31, 2015</b>	<b>14,864,746</b>	<b>99,999,999</b>	<b>99,999,874</b>	<b>214,864,619</b>
Capital increase on August 31, 2016	6,356	42,758	46,814	95,928
<b>Balance as of December 31, 2016</b>	<b>14,871,102</b>	<b>100,042,757</b>	<b>100,046,688</b>	<b>214,960,547</b>
Capital increase on June 30, 2017	6,259	42,107	44,327	92,693
<b>Balance as of December 31, 2017</b>	<b>14,877,361</b>	<b>100,084,864</b>	<b>100,091,015</b>	<b>215,053,240</b>

The shares are divided into different categories with each share entitled to one vote at shareholders' meetings. The nominal value of each share is €0.01. Right to dividends and rights in case of dissolution of the Company vary depending upon the category of shares and the respective class within each category. Whether dividends are paid or the shares are redeemed is solely at the discretion of the Company.

The holders of the preference shares are entitled to an annual preferred dividend of between 8.9% and 9.1% of the amount paid for the shares and any preferred dividend not declared and distributed in previous years. The percentage varies between the share classes, of which class P1 having the lowest percentage. The different classes materially include the same number of shares. They are redeemable in order of class (P1 to P5).

The holders of all initial ordinary shares and ordinary shares are only entitled to receive distributions (including dividends) if either all dividends (including any accumulated) have been paid on the preference shares and all preference shares have been fully redeemed, or if distribution has been approved by a shareholders' resolution requiring at least 75% of the holders of the preference shares voting in favor of such a distribution. Any dividend payments would equal between 0.25% and 0.5% of the amount paid for the shares. The holders of the initial ordinary shares are entitled to the highest percentage. The percentage varies between the ordinary share classes, of which class A1 having the lowest percentage. The different classes materially include the same number of shares. The ordinary shares categories are subordinated to the preference shares and redeemable in order of class (A1 to A5 and last being the initial ordinary shares).

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**20. Financial instruments, financial risk and capital management**

**Categories of financial instruments and fair value information**

The following tables present the carrying amounts of financial assets and liabilities as of December 31, 2017 and December 31, 2016. They also present the respective levels in the fair value hierarchy for financial assets and liabilities measured at fair value. Items that do not meet the definition of financial assets or liabilities are not included in the table (e.g. deferred revenue).

<i>(In € million)</i>	Carrying amount as of December 31, 2017				Fair value hierarchy Level		
	Loans and receivables	At fair value through profit or loss	Financial liabilities at amortized cost	Total	1	2	3
Cash and cash equivalents	103.9			103.9			
Trade and other receivables	276.8	-		276.8			
Other financial assets	0.1			0.1			
Derivatives		82.3		82.3		x	
<b>Total financial assets</b>	<b>380.8</b>	<b>82.3</b>	<b>-</b>	<b>463.1</b>			
Trade, other payables and other liabilities			(408.6)	(408.6)			
Loans and borrowings:							
- Notes			(675.9)	(675.9)			
- Senior secured credit facilities			(1,868.4)	(1,868.4)			
- Finance lease liabilities			(12.3)	(12.3)			
Derivatives		(20.9)		(20.9)		x	
<b>Total financial liabilities</b>	<b>-</b>	<b>(20.9)</b>	<b>(2,965.2)</b>	<b>(2,986.1)</b>			

  

<i>(In € million)</i>	Carrying amount as of December 31, 2016				Fair value hierarchy Level		
	Loans and receivables	At fair value through profit or loss	Financial liabilities at amortized cost	Total	1	2	3
Cash and cash equivalents	123.7			123.7			
Trade and other receivables	275.4			275.4			
Other financial assets	0.7			0.7			
Derivatives		90.4		90.4		x	
<b>Total financial assets</b>	<b>399.8</b>	<b>90.4</b>	<b>-</b>	<b>490.2</b>			
Trade, other payables and other liabilities			(381.4)	(381.4)			
Loans and borrowings:							
- Notes			(676.2)	(676.2)			
- Senior secured credit facilities			(2,045.7)	(2,045.7)			
- Financial lease liabilities			(0.5)	(0.5)			
Contingent purchase price obligation		(7.5)		(7.5)			x
Derivatives		(41.2)		(41.2)		x	
<b>Total financial liabilities</b>	<b>-</b>	<b>(48.7)</b>	<b>(3,103.8)</b>	<b>(3,152.5)</b>			

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The carrying amount of the financial assets and liabilities that are not measured at fair value is a reasonable approximation of fair value, with the exception of loans and borrowings. Information about the fair value of the notes and the term loans is provided in note 15. The fair value of the notes and of the term loans are based on quoted market prices or broker quotes (on markets considered inactive). The notes are traded on the Global Exchange Market of the Irish Stock Exchange while the term loans are traded within the loan syndicate. The debts are categorized as level 2 fair value measurements as the measurements of fair value are based on significant observable market data.

The derivatives are entered into as part of the Group's strategy to mitigate operational risks (commodity and foreign currency exchange derivatives) and to mitigate financing risks (interest rate and cross-currency swaps).

The following tables show the types of derivatives the Group had as of December 31, 2017 and December 31, 2016, and their presentation in the statement of financial position.

<i>(In € million)</i>	Current assets	Non- current assets	Total derivative assets	Current liabilities	Non- current liabilities	Total derivative liabilities
Commodity derivatives	6.5	-	6.5	(2.3)	-	(2.3)
Foreign currency exchange derivatives	0.8	0.1	0.9	(0.2)	-	(0.2)
<b>Total operating derivatives</b>	<b>7.3</b>	<b>0.1</b>	<b>7.4</b>	<b>(2.5)</b>	<b>-</b>	<b>(2.5)</b>
Interest rate and cross-currency swaps	4.0	0.6	4.6	(2.1)	(5.8)	(7.9)
Embedded derivatives	-	70.3	70.3	(3.7)	(6.8)	(10.5)
<b>Total financing derivatives</b>	<b>4.0</b>	<b>70.9</b>	<b>74.9</b>	<b>(5.8)</b>	<b>(12.6)</b>	<b>(18.4)</b>
<b>Total derivatives as of Dec. 31, 2017</b>	<b>11.3</b>	<b>71.0</b>	<b>82.3</b>	<b>(8.3)</b>	<b>(12.6)</b>	<b>(20.9)</b>

<i>(In € million)</i>	Current assets	Non- current assets	Total derivative assets	Current liabilities	Non- current liabilities	Total derivative liabilities
Commodity derivatives	4.7	-	4.7	(3.6)	-	(3.6)
Foreign currency exchange derivatives	0.7	-	0.7	(1.9)	-	(1.9)
<b>Total operating derivatives</b>	<b>5.4</b>	<b>-</b>	<b>5.4</b>	<b>(5.5)</b>	<b>-</b>	<b>(5.5)</b>
Interest rate and cross-currency swaps	3.7	9.1	12.8	(5.0)	(2.5)	(7.5)
Embedded derivatives	-	72.2	72.2	(5.1)	(23.1)	(28.2)
<b>Total financing derivatives</b>	<b>3.7</b>	<b>81.3</b>	<b>85.0</b>	<b>(10.1)</b>	<b>(25.6)</b>	<b>(35.7)</b>
<b>Total derivatives as of Dec. 31, 2016</b>	<b>9.1</b>	<b>81.3</b>	<b>90.4</b>	<b>(15.6)</b>	<b>(25.6)</b>	<b>(41.2)</b>

The Group measures derivative assets and liabilities, including embedded derivatives that are required to be separated from their host contracts, at fair value. The fair value is estimated based on valuation models commonly used in the market and include consideration of credit risk, where applicable, and discounts the estimated future cash flows based on the terms and maturity of each contract, using forward interest rates extracted from observable yield curves and market forward exchange rates at the reporting date. The derivatives are categorized as level 2 fair value measurements in the fair value hierarchy as the measurements of fair value are based on observable market data, either directly (i.e. as prices) or indirectly (i.e. derived from prices). All changes in fair value are recognized in profit or loss as the Group does not apply hedge accounting under IAS 39.

As part of the purchase price for the SIG Group, the Group contractually agreed to pay RGHL an aggregate cash consideration of up to €175 million contingent on the achievement of certain earnings targets defined in the share purchase agreement during the years ending December 31, 2015 and 2016. The total amount of €175 million (€150 million for the 2015 financial year and €25 million for the 2016 financial year) was recognized as a contingent purchase price obligation as of the acquisition date. The amount payable by the Group for the 2015 financial year was determined in October 2016 by an independent expert to be €150 million. The payment was

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executed in November 2016 using available cash.

Management's assessment of the fair value of the contingent consideration for the 2016 financial year was €7.5 million as of December 31, 2016. In June 2017, the amount payable by the Group was determined by the parties to the share purchase agreement to be €10 million. The payment was executed in the same month using available cash.

### Financial risk management

*In course of its business, the Group is exposed to a number of financial risks: liquidity risk, market risk (including currency risk, commodity risk and interest rate risk) and credit risk. The following sections of this note present the Group's objectives, policies and processes for managing its exposure to these financial risks.*

Exposure to liquidity, market and credit risks arises in the normal course of the Group's business. Management and the Board of Directors have the overall responsibility for the establishment and oversight of the Group's financial risk management framework. Management has established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Financial risk management is primarily carried out by the treasury function of the Group. Management has delegated authority levels and authorized the use of various financial instruments to a restricted number of personnel within the treasury function.

### Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group evaluates its liquidity requirements on an ongoing basis using various cash and financial planning analyses and ensures that it has sufficient cash to meet expected operating expenses including repayments of and interest payments on its debt.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It has credit lines in place to cover potential shortfalls and access to local working capital facilities in various jurisdictions, which are available if needed to support the cash management of local operations. The Group had unrestricted cash and cash equivalents in the amount of €101.7 million (€123.7 million as of December 31, 2016) and access to an additional €255.8 million under its revolving credit facility as of December 31, 2017 (€257.4 million as of December 31, 2016).

The following table includes information about the Group's remaining contractual maturities for its non-derivative financial liabilities as of December 31, 2017. The table includes both interest and principal cash flows. Balances due within one year equal their carrying amounts as the impact on discounting is not significant.

		Contractual cash flows				
	Carrying amount	Total	Up to 1 year	1-2 years	2- 5 years	More than 5 years
<i>(In € million)</i>						
<b>As of December 31, 2017</b>						
Trade, other payables and other liabilities	(408.6)	<b>(408.6)</b>	(401.3)	(3.6)	(1.8)	(1.9)
Loans and borrowings:						
- Notes	(675.9)	<b>(962.7)</b>	(52.3)	(52.3)	(156.9)	(701.2)
- Senior secured credit facilities	(1,868.4)	<b>(2,253.6)</b>	(97.5)	(96.7)	(2,059.4)	-
- Finance lease liabilities	(12.3)	<b>(13.3)</b>	(1.9)	(2.7)	(6.5)	(2.2)
<b>Total non-derivative financial liabilities</b>	<b>(2,965.2)</b>	<b>(3,638.2)</b>	<b>(553.0)</b>	<b>(155.3)</b>	<b>(2,224.6)</b>	<b>(705.3)</b>

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The Group's notes and senior secured credit facilities contain covenants and certain clauses that may require earlier repayments than indicated in the table above. The Group monitors the covenants as well as the aforementioned clauses on a regular basis to ensure that it is in compliance with the agreements at all times.

The interest payments on the senior secured credit facilities are variable, thus the interest rate amounts included in the table above will change if the market interest rate changes.

The Group enters into derivative contracts as part of operating and financing the business. The derivative contracts are net-cash settled, with the financial asset or liability recognized as of December 31, 2017 and December 31, 2016 representing the liquidity exposure to the Group as of that date. The cash flows resulting from a settlement of the derivative contracts may change as commodity prices, interest rates and exchange rates change. However, the overall impact on the Group's liquidity from the derivative contracts is not deemed to be significant.

The following table includes information about the Group's remaining contractual maturities for its non-derivative financial liabilities as of December 31, 2016.

<i>(In € million)</i>	Carrying amount	Contractual cash flows				
		Total	Up to 1 year	1-2 years	2- 5 years	More than 5 years
<b>As of December 31, 2016</b>						
Trade, other payables and other liabilities	(381.4)	(381.4)	(374.3)	(4.7)	(2.3)	(0.1)
Loans and borrowings:						
- Notes	(676.2)	(1,015.0)	(52.3)	(52.3)	(156.9)	(753.5)
- Senior secured credit facilities	(2,045.7)	(2,579.2)	(109.1)	(108.0)	(316.7)	(2,045.4)
- Finance lease liabilities	(0.5)	(0.5)	(0.2)	(0.2)	(0.1)	-
Contingent purchase price obligation	(7.5)	(7.5)	(7.5)	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>(3,111.3)</b>	<b>(3,983.6)</b>	<b>(543.4)</b>	<b>(165.2)</b>	<b>(476.0)</b>	<b>(2,799.0)</b>

#### **Market risks**

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, commodity prices and interest rates, will affect the cash flows or the fair value of the Group's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The Group buys and sells derivatives in the ordinary course of business to manage market risks. The Group does not enter into derivative contracts for speculative purposes. Hedge accounting under IAS 39 is not applied.

#### **Currency risk**

As a result of the Group's international operations, foreign currency exchange risk exposures exist on sales, purchases and borrowings that are denominated in currencies that are not the functional currency of the subsidiary involved in the transaction. The Group is also exposed to translation currency risk arising from the translation of the assets, liabilities and results of its foreign entities into the Company's functional currency Euro from their respective functional currencies. The functional currencies of the subsidiaries are mainly Euro, U.S. Dollar, Swiss Franc, Chinese Renminbi, Thai Baht, Brazilian Real, Mexican Peso and New Zealand Dollar.

In accordance with the Group's treasury policy, the Group seeks to minimize transaction currency risk via natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows or incurs costs in the same currencies in which cash flows are generated. In addition, the Group uses foreign currency exchange derivatives to hedge additional transaction currency risks as deemed appropriate.

The Group does not hedge its exposure to translation gains or losses related to the financial results of its non-Euro functional currency entities.

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As previously noted, the Group manages operational transaction currency risk via natural offsets and by entering into foreign currency exchange derivative contracts. The following table provides an overview of the outstanding foreign currency exchange derivative contracts entered into as part of the operating business as of December 31, 2017.

Type	Contract type	Currency	Contracted volume	Counter-currency	Contracted conversion range	Contracted date of maturity
Non deliverable forwards	Buy	\$	9,600,000	BRL	3.2557 - 3.4266	Feb. 2018 - Jan. 2019
Currency forwards	Buy	€	39,000,000	THB	38.950 - 39.810	Jan. 2018 - Nov. 2018
Currency forwards	Sell	\$	51,000,000	THB	32.320 - 32.510	Jan. 2018 - Nov. 2018
Currency forwards	Buy	\$	21,000,000	CNY	6.6802 - 6.7331	May 2018 - Dec. 2018
Currency forwards	Sell	AUD	11,539,000	NZD	1.1059 - 1.1077	Jan. 2018 - Nov. 2018
Currency forwards	Sell	\$	11,465,000	NZD	1.4647 - 1.4714	Feb. 2018 - Dec. 2018
Currency swap	Buy	\$	16,000,000	€	1.19085	Jan. 2018
Currency swap	Sell	€	3,000,000	\$	1.19920	Jan. 2018

The following table provides an overview of the outstanding foreign currency exchange derivative contracts as of December 31, 2016.

Type	Contract type	Currency	Contracted volume	Counter-currency	Contracted conversion range	Contracted date of maturity
Currency forwards	Buy	\$	370,000	BRL	4.3725	Jan. 2017
Currency forwards	Buy	€	3,800,000	BRL	4.6795	Jan. 2017
Currency forwards	Buy	€	24,950,000	THB	38.2450 - 38.9750	Jan. 2017 - Dec. 2017
Currency forwards	Buy	€	23,000,000	CNY	7.3031 - 7.4895	Jan. 2017 - Dec. 2017
Currency swap	Buy	CNY	100,000,000	€	7.6385	Feb. 2017
Currency swap	Sell	€	40,000,000	\$	1.0440 - 1.0560	Jan. 2017

For the years ended December 31, 2017 and December 31, 2016, the Group's primary residual transaction currency exposure relates to an intra-group U.S. Dollar-denominated loan and intra-group Euro denominated loans held by a Swiss Franc functional currency entity. Changes in the foreign currency exchange rate between the U.S. Dollar and the Swiss Franc and between the Euro and the Swiss Franc will result in the Group recognizing either foreign currency exchange gains or losses on the translation of this intra-group debt into Swiss Francs in the future. A 5% weakening of the Swiss Franc against the U.S. Dollar and the Euro as of December 31, 2017 would have resulted in an additional unrealized foreign currency exchange loss of €106.1 million (an additional unrealized foreign currency exchange loss of €64.6 million as of December 31, 2016).

#### **Commodity price risk**

Commodity price risk is the risk that changes in the price of commodities purchased by the Group and used as inputs in the production process may impact the Group as such price changes cannot always be passed on to the customers.

The Group's exposure to commodity price risk arises principally from the purchase of resin and aluminum. The Group's objective is to ensure that the commodity price risk exposure is kept at an acceptable level. The Group generally purchases commodities at spot market prices and uses derivatives to hedge the exposure in relation to the cost of resin (and its components) and aluminum. Due to this strategy, the Group is able to fix the raw material prices one year forward for approximately 80% of the resin and aluminum purchases, which substantially minimizes the exposure to raw material price fluctuations over that period.

The realized gain or loss arising from derivative commodity contracts are recognized in cost of sales while the unrealized gain or loss associated with derivative commodity contracts are recognized in other income or other expenses.

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The Group recognized an unrealized gain of €3.4 million in the year ended December 31, 2017 and an unrealized gain of €9.3 million in the year ended December 31, 2016 relating to its derivative commodity contracts as a component of other income or other expenses.

The Group recognized a realized gain of €2.8 million in the year ended December 31, 2017 and a realized loss of €6.3 million in the year ended December 31, 2016 relating to its derivative commodity contracts as a component of cost of sales.

The following table provides an overview of outstanding commodity derivative contracts as of December 31, 2017.

Type	Unit of measure	Contracted volume	Contracted price range	Contracted date of maturity
Aluminum swaps	metric tonne	18,900	\$1,916.00 - \$2,179.00	Jan. 2018 - Dec. 2018
Aluminum premium	metric tonne	6,997	\$139 - \$172	Jan. 2018 - Dec. 2018
Resin swaps	metric tonne	40,476	€1,438 - €1,580	Jan. 2018 - Dec. 2018
Resin swaps	metric tonne	25,110	\$1,245.00 - \$1,326.00	Jan. 2018 - Jan. 2019
Ethylene swaps	metric tonne	17,328	€988 - €1,065	Jan. 2018 - Dec. 2018
Propylene swaps	metric tonne	8,280	€ 1,345	Jan. 2018 - Dec. 2018
Electricity swaps	megawatt hour	43,800	NZD 71.80	Jan. 2018 - Dec. 2018

There would have been an impact of €15.4 million on profit or loss from a remeasurement of commodity derivative contracts as of December 31, 2017 (an impact of €14.5 million on profit or loss as of December 31, 2016), assuming a 10% parallel upward or downward movement in the price curve used to value the contracts assuming all other variables remain constant.

The following table provides an overview of outstanding commodity derivative contracts as of December 31, 2016.

Type	Unit of measure	Contracted volume	Contracted price range	Contracted date of maturity
Aluminum swaps	metric tonne	21,930	\$1,553.55 - \$1,730.00	Jan. 2017 - Dec. 2017
Aluminum premium	metric tonne	8,640	\$137 - \$155	Jan. 2017 - Dec. 2017
Resin swaps	metric tonne	37,680	€1,505 - €1,599	Jan. 2017 - Jan. 2018
Resin swaps	metric tonne	16,920	\$1,188.00 - \$1,207.50	Jan. 2017 - Dec. 2017
Ethylene swaps	metric tonne	20,240	€975 - €1,010	Jan. 2017 - Jan. 2018
Propylene swaps	metric tonne	8,320	€1,232.00 - €1,297.50	Jan. 2017 - Dec. 2017



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**Interest rate risk**

The Group's interest rate risk primarily arises from loans and borrowings at both fixed and variable interest rates. The Group pays a fixed interest rate on the notes while the interest rate on the term loans is variable. The interest rate profile of the Group's significant interest-bearing financial instruments as of December 31, 2017 and December 31, 2016 is presented in the following table.

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
<b>Fixed-rate instruments</b>		
Financial liabilities	(687.3)	(675.5)
	<b>(687.3)</b>	<b>(675.5)</b>
Effect of interest rate swaps	(1,033.6)	(1,161.6)
	<b>(1,720.9)</b>	<b>(1,837.1)</b>
<b>Variable-rate instruments</b>		
Financial assets	103.9	123.7
Financial liabilities	(1,939.4)	(2,140.2)
	<b>(1,835.5)</b>	<b>(2,016.5)</b>
Effect of interest rate swaps	1,033.6	1,161.6
	<b>(801.9)</b>	<b>(854.9)</b>

The Group has entered into interest rate swaps to partially hedge the cash flow exposure arising on the Euro- and U.S. Dollar-denominated term loans at variable interest rates. The Group has not designated the interest rates swaps as hedging instruments, thus the fair value changes have been recognized in profit or loss. The swaps are presented as part of other current and non-current assets and liabilities in the statement of financial position.

A 100 basis point increase in the variable component (one month Euribor/LIBOR) of the interest rate on the term loans would increase the annual interest expense by €7.2 million as of December 31, 2017 (by €6.9 million as of December 31, 2016).

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from its customers. The carrying amount of financial assets represents the maximum credit exposure. Historically there has been a low level of losses resulting from default by customers.

The credit risk relating to trade receivables is influenced mainly by the individual characteristics of each customer. Given the diverse global operations and customers across the Group, credit control procedures are jointly managed by Group Treasury and each of the operating businesses within the Group. These joint responsibilities include, but are not limited to, reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing upon purchase limits and terms of trade as well as regularly reviewing the creditworthiness of existing customers and previously agreed purchase limits and terms of trade.

The Group limits its exposure to credit risk by executing a credit limit policy, requiring advance payments in certain instances, taking out insurance for specific debtors as well as utilizing securitization and non-recourse factoring programs. These programs are further described in note 9.

In addition, concentration of credit risk is limited due to a significant amount of customers comprising a diversified mix of international companies, large national and regional companies as well as small local companies, of which the majority has been customers of the Group for many years.

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Management believes that the recognized provision of doubtful debts sufficiently covers the risk of default based on historical payment behavior and analysis of customer credit risk.

In line with its credit policy, the Group generally only enters into transactions with banks and financial institutions having a credit rating of at least investment grade (long-term: A rating and short-term: A1 or P1 rating, as per Standard & Poor's or Moody's).

### **Capital management**

The Directors of the Company are responsible for monitoring and managing the Group's capital structure, which is comprised of equity (share capital and additional paid-in capital) as well as loans and borrowings.

The Directors' policy is to maintain an acceptable capital base to promote the confidence of the Group's note holders and the lenders under the senior secured credit facilities and to sustain the future development of the business. The Directors monitor the Group's financial position to ensure that it complies at all times with its financial and other covenants as set out in its agreements with the notes holders and the lenders under the senior secured credit facilities.

In order to maintain or adjust the capital structure, the Directors may elect to take a number of measures, including for example to dispose of assets of the business, alter its short to medium term plans with respect to capital projects and working capital levels, or to re-balance the level of equity and debt in place.

### **21. Operating leases**

Non-cancellable operating lease rentals are payable as follows:

<i>(In € million)</i>	As of December 31, 2017	As of December 31, 2016
Less than 1 year	8.5	10.0
Between 1 and 5 years	11.3	13.0
More than 5 years	-	0.1
<b>Total</b>	<b>19.8</b>	<b>23.1</b>

Operating lease expenses recognized in the statement of profit or loss and comprehensive income were €13.6 million in the year ended December 31, 2017 (€13.2 million in the year ended December 31, 2016).

### **22. Capital commitments**

As of December 31, 2017, the Group had entered into contracts to incur capital expenditures of €39.4 million (€33.2 million as of December 31, 2016) for the acquisition of property, plant and equipment.

### **23. Contingent liabilities**

The Group has contingent liabilities relating to legal and other matters arising in the ordinary course of business. Based on legal and other advice, management is of the view that the outcome of any such proceedings will have no significant effect on the financial position of the Group beyond the recognized provision.

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## **24. Related parties**

### **Shareholders**

The parent and ultimate parent company of the Group is Onex Corporation ("Onex"). The shares of SIG Combibloc Group Holdings S.à r.l. are held indirectly by Onex, certain members of management and a number of co-investors.

Certain parties, including Onex, members of the SIG management and other co-investors entered into investment and shareholders agreements with respect to their investment in SIG Combibloc Group Holdings S.à r.l. These agreements, along with certain ancillary agreements thereto, contain agreements among the parties with respect to, among other things, tag-along rights, drag-along rights, pre-emptive rights and restrictions on the transfer of shares. The agreements also contain provisions regarding the transfer of shares held by employees who cease to be employees or officers and provisions relating to any potential exit by Onex from its investment, including by way of an initial public offering of shares.

### **Other related parties**

The Group has related party relationships with its subsidiaries, joint ventures, its key executive officers and directors and companies affiliated with Onex.

The Group's subsidiaries are listed in note 25. Information about the joint ventures is presented in note 13.

### **Related party transactions and balances**

The Group has entered into a consulting services agreement with Onex under which it will pay to Onex (i) an annual fee of approximately €1 million for certain advisory, consulting and other services to be performed by Onex and/or its affiliate(s), in addition to reimbursement of certain out-of-pocket expenses incurred in connection with the performance of such services, and (ii) additional reasonable compensation for other services provided by Onex and/or its affiliate(s) from time to time, including advisory and other services with respect to acquisitions and divestitures or offerings of equity or debt interests. The Group paid Onex an annual fee, including reimbursement of expenses, of €1.1 million for the year 2017 (€1.1 million for the year 2016).

Certain members of management (key executive officers and directors) indirectly participated in the Group's share capital increases as part of an equity arrangement and paid a price equivalent to the fair value of the shares. Refer further to the section "Shareholders" in the beginning of this note.

Key management personnel compensation for the year ended December 31, 2017 includes short-term employee benefits of €3.1 million (€4.5 million for 2016) and post-employment benefits of €0.4 million (€0.3 million for 2016).

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Information about other related parties is provided in the following table.

(In € million)	Transaction values for the years ended		Balance outstanding as of	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Joint ventures</b>				
Sale of goods and services and revenue under royalty agreements / Net receivables (sleeves, liquid paper board, filling machines and related goods and services)	119.6	188.8	23.8	37.0
Dividends received	25.0	19.3	-	-
<b>Onex portfolio companies</b>				
Purchase of goods / Payables (supplies and machine parts):				
- Erwepa/Davis Standard	(0.5)	(0.4)	-	(0.1)
Loan receivables:				
- Wizard MEP company	-	-	0.5	1.1

There were no other significant related party transactions during the years ended December 31, 2017 and December 31, 2016.

## 25. Group entities

	Reporting date	Country of incorporation	Interest held <sup>1</sup> as of	
			Dec. 31, 2017	Dec. 31, 2016
<b>Parent company</b>				
SIG Combibloc Group Holdings S.à r.l.	Dec. 31	Luxembourg		
<b>Subsidiaries</b>				
SIG Combibloc Holdings GP S.à r.l.	Dec. 31	Luxembourg	100%	100%
SIG Combibloc Holdings S.C.A.	Dec. 31	Luxembourg	100%	100%
SIG Combibloc PurchaseCo S.à r.l.	Dec. 31	Luxembourg	100%	100%
SIG Schweizerische Industrie-Gesellschaft GmbH	Dec. 31	Switzerland	100%	100%
SIG Combibloc US Acquisition Inc.	Dec. 31	U.S.A.	100%	100%
SIG Combibloc US Acquisition II Inc.	Dec. 31	U.S.A.	100%	100%
SIG Combibloc Argentina S.R.L. <sup>2</sup>	Dec. 31	Argentina	100%	100%
Combibloc S.R.L. <sup>3</sup>	Dec. 31	Argentina	100%	-
Whakatane Mill Australia Pty Limited	Dec. 31	Australia	100%	100%
SIG Austria Holding GmbH	Dec. 31	Austria	100%	100%
SIG Combibloc GmbH	Dec. 31	Austria	100%	100%
SIG Combibloc GmbH & Co. KG	Dec. 31	Austria	100%	100%
SIG Beverages Brasil Ltda.	Dec. 31	Brazil	100%	100%
SIG Combibloc do Brasil Ltda.	Dec. 31	Brazil	100%	100%
SIG Combibloc Chile Limitada	Dec. 31	Chile	100%	100%
SIG Combibloc (Suzhou) Co. Ltd.	Dec. 31	China	100%	100%
SIG Combibloc s.r.o.	Dec. 31	Czech Republic	100%	100%
SIG Combibloc S.à r.l.	Dec. 31	France	100%	100%

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	Reporting date	Country of incorporation	Interest held <sup>1</sup> as of	
			Dec. 31, 2017	Dec. 31, 2016
SIG Combibloc GmbH	Dec. 31	Germany	100%	100%
SIG Combibloc Holding GmbH	Dec. 31	Germany	100%	100%
SIG Combibloc Systems GmbH	Dec. 31	Germany	100%	100%
SIG Combibloc Zerspanungstechnik GmbH	Dec. 31	Germany	100%	100%
SIG Euro Holding GmbH	Dec. 31	Germany	100%	100%
SIG Information Technology GmbH <sup>4</sup>	Dec. 31	Germany	100%	100%
SIG International Services GmbH <sup>4</sup>	Dec. 31	Germany	100%	100%
SIG Combibloc Kft.	Dec. 31	Hungary	100%	100%
SIG Combibloc India Ltd <sup>5</sup>	Dec. 31	India	100%	-
PT. SIG Combibloc Indonesia	Dec. 31	Indonesia	100%	100%
SIG Combibloc S.r.l.	Dec. 31	Italy	100%	100%
SIG Combibloc Korea Ltd.	Dec. 31	Korea	100%	100%
SIG Combibloc México, S.A. de C.V.	Dec. 31	Mexico	100%	100%
SIG Combibloc B.V.	Dec. 31	Netherlands	100%	100%
Whakatane Mill Limited	Dec. 31	New Zealand	100%	100%
SIG Combibloc Sp. z o.o.	Dec. 31	Poland	100%	100%
SIG Combibloc Services S.R.L.	Dec. 31	Romania	100%	100%
OOO SIG Combibloc	Dec. 31	Russia	100%	100%
SIG Combibloc S.A.	Dec. 31	Spain	100%	100%
SIG Combibloc AB	Dec. 31	Sweden	100%	100%
SIG allCap AG	Dec. 31	Switzerland	100%	100%
SIG Combibloc Group AG	Dec. 31	Switzerland	100%	100%
SIG Combibloc Procurement AG	Dec. 31	Switzerland	100%	100%
SIG Combibloc Receivables Management AG <sup>6</sup>	Dec. 31	Switzerland	100%	-
SIG Technology AG	Dec. 31	Switzerland	100%	100%
SIG Combibloc Taiwan Ltd.	Dec. 31	Taiwan	100%	100%
SIG Combibloc Ltd.	Dec. 31	Thailand	100%	100%
SIG Combibloc Limited <sup>7</sup>	Dec. 31	United Kingdom	100%	100%
SIG Combibloc Inc.	Dec. 31	U.S.A.	100%	100%
SIG Holding USA, LLC	Dec. 31	U.S.A.	100%	100%
SIG Vietnam Ltd.	Dec. 31	Vietnam	100%	100%
<b>Joint ventures</b>				
SIG Combibloc Obeikan Company Limited	Dec. 31	Saudi Arabia	50%	50%
SIG Combibloc Obeikan FZCO	Dec. 31	U.A.E	50%	50%

<sup>1</sup> The ownership and voting interests are the same.

<sup>2</sup> In liquidation.

<sup>3</sup> Established in the third quarter of 2017.

<sup>4</sup> SIG Information Technology GmbH and SIG International Services GmbH are not subject to audit for the 2017 and 2016 financial years under German BilRUG. The Company has guaranteed all outstanding liabilities of these subsidiaries as of December 31, 2017 and 2016.

<sup>5</sup> Established in the fourth quarter of 2017.

<sup>6</sup> Established in the first quarter of 2017.

<sup>7</sup> SIG Combibloc Limited is not subject to audit for the 2017 and 2016 financial years under the UK Companies Act section 479A. The Company has guaranteed all outstanding liabilities of this subsidiary as of December 31, 2017 and 2016.

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**26. Auditors**

The Group's consolidated financial statements for the year ended December 31, 2017 and for the year ended December 31, 2016 have been audited by PricewaterhouseCoopers, Société cooperative, Luxembourg. The total fees for the Group are shown below:

<i>(In € million)</i>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Audit	1.4	1.5
Other	0.1	0.1
<b>Total fees</b>	<b>1.5</b>	<b>1.6</b>

**27. Subsequent events**

There have been no events subsequent to December 31, 2017 that would require an adjustment to or disclosure in these consolidated financial statements.