# GCL HOLDINGS S.C.A.
# and Subsidiaries

## Unaudited condensed consolidated interim financial statements for the period ended September 30, 2017

Prepared and Delivered Pursuant to
Section 4.09(b) of the:
- Indenture Governing the Floating Rate Senior Secured Notes due 2021 of Guala Closures S.p.A.

Luxembourg, November 28, 2017

Registered and administrative office:
8a, Rue Albert Borschette
L-1246 Luxembourg
Share capital € 141,217.50 fully paid-up
Register of Commerce & Companies of Luxembourg
section B, number 141 684

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## Forward-looking Statements

This unaudited condensed consolidated interim financial statements may include, and the Company and its representatives may from time to time make, written or verbal statements which constitute “forward – looking statements”, including but not limited to all statements other than statements of historical facts, including statements regarding our intentions, belief or expectations concerning our future financial condition and performance, results of operations, strategy, prospects, and future developments in the markets in which we operate and plan to operate.

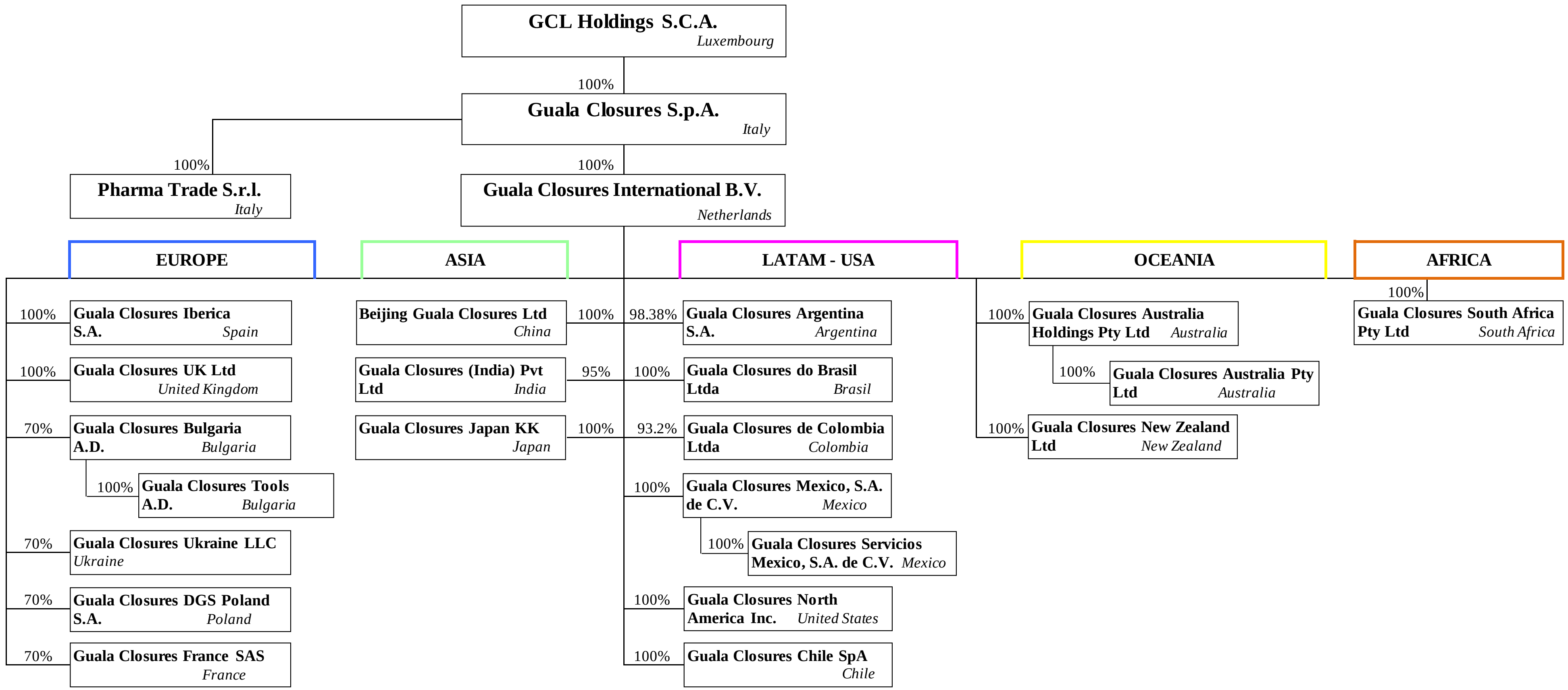
By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward – looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this unaudited condensed consolidated interim financial statements.

In addition even if our financial condition, results of operations and cash flows, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this unaudited condensed consolidated interim financial statements, those results or developments may not be indicative of results or developments in subsequent periods.

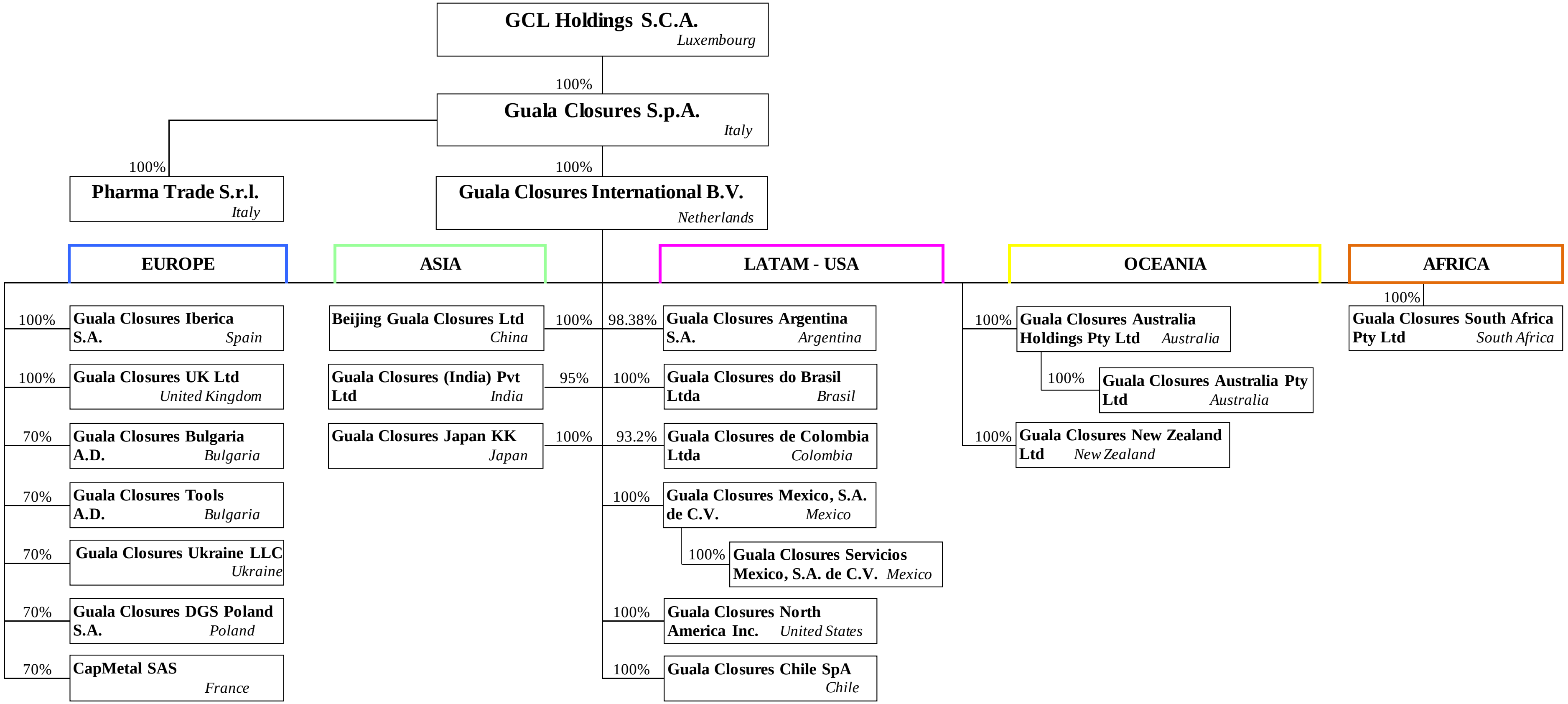
The Company undertakes no obligation to publicly update or publicly revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written or verbal forward-looking statements attributable to the Company or to persons acting on the Company’s behalf are qualified in their entirety by the cautionary statements referred to above.

# The structure of GCL Holdings S.C.A. and Subsidiaries (GCL Holdings Group)

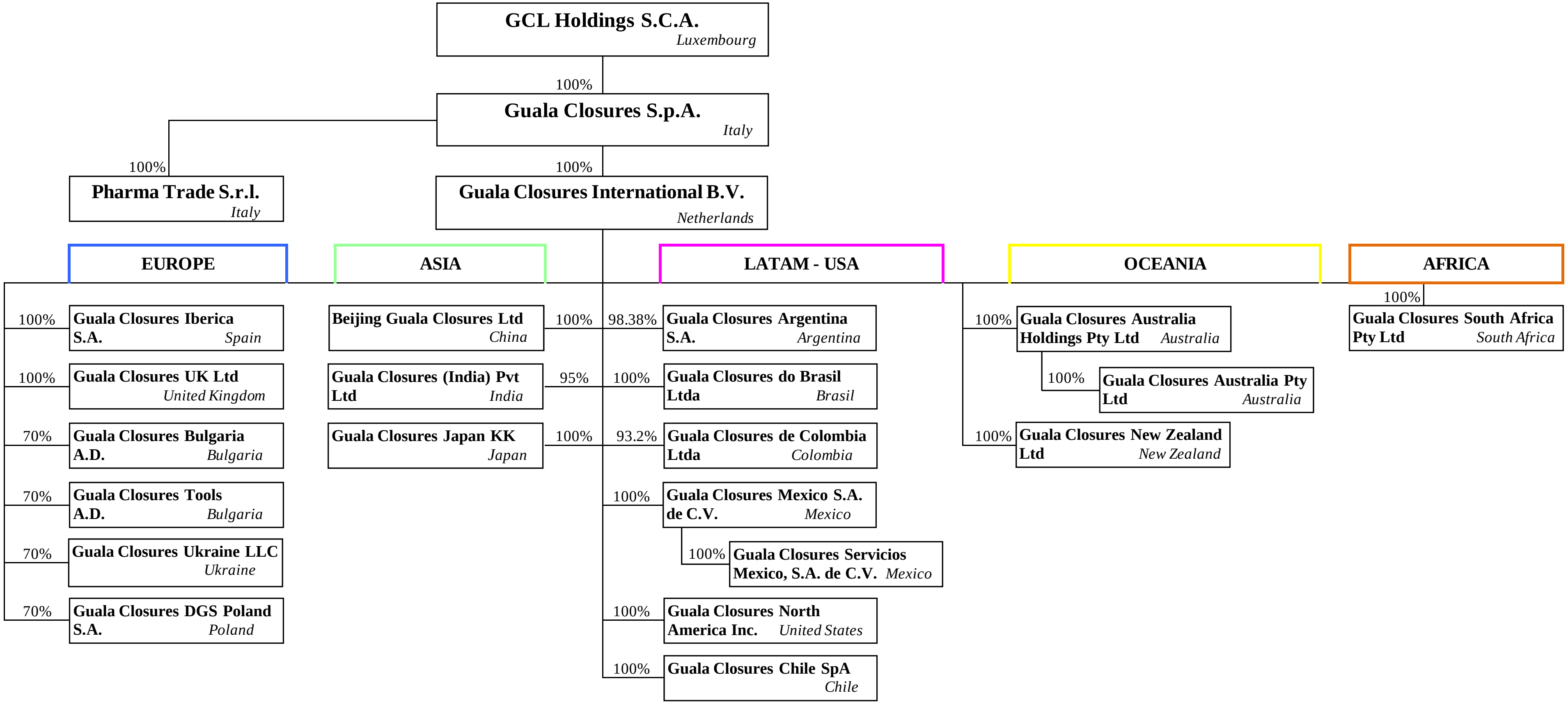
# September 30, 2017



# December 31, 2016



# September 30, 2016



## Selected financial information and other data

## Selected financial information and other data

The following information should be read in conjunction with, and is qualified in its entirety by reference to the interim Group financial information and the related notes thereto included in this unaudited condensed consolidated interim financial statements.

### Results of operations

The table below shows the reclassified unaudited condensed consolidated statement of profit or loss:

### Reclassified unaudited condensed consolidated statement of profit or loss

| *(Thousands of Euros)* | **For the nine months ended September 30,** | |
|---|---|---|
| | **2016 (*)** | **2017** |
| ***Net revenue*** | **368,800** | **388,521** |
| Change in inventories of finished goods and semi-finished products | 6,230 | 12,711 |
| Other operating income | 2,398 | 2,593 |
| Work performed by the Group and capitalised | 3,589 | 3,950 |
| Costs for raw materials | (163,485) | (176,900) |
| Costs for services | (65,533) | (71,674) |
| Personnel expense | (70,280) | (75,297) |
| Other operating expense | (7,172) | (7,662) |
| **Gross operating profit (EBITDA)** | **74,547** | **76,242** |
| Amortization, depreciation and impairment losses | (22,453) | (23,406) |
| **Operating profit** | **52,094** | **52,835** |
| Financial income | 5,083 | 2,047 |
| Financial expense | (38,248) | (33,038) |
| **Profit before taxation** | **18,929** | **21,845** |
| Income taxes | (13,210) | (16,379) |
| **Profit for the period** | **5,719** | **5,466** |
| *Source: unaudited consolidated interim financial statements figures* | | |
| **Gross operating profit adjusted (Adjusted EBITDA)** | **75,380** | **78,299** |
| *% on net revenue* | *20.4%* | *20.2%* |

**Note:**
*Reference should be made to the section "Performance indicators" on next page for information about the Group's performance indicators, such as Adjusted gross operating profit (Adjusted EBITDA)*

*(*) 2016 figures were represented since capitalized development expenditure and non-recurring maintenance booked in 2016 as "Other operating income" have been reclassified to the caption "Work performed by the Group and capitalized"*

The selected financial information have been prepared on the basis of the results of the cumulative nine months period as the Company believes that this is the best way to understand the trend of the business.
Any material event or change which occurred in the third quarter of 2017 is however disclosed and commented on. Quarterly figures have been reported on the Annex to these unaudited condensed consolidated interim financial statements.

**Performance indicators**
In addition to the financial performance indicators required by IFRS, this Selected financial information and other data and the notes to the unaudited condensed consolidated interim financial statements include some additional indicators (EBITDA, Adjusted EBITDA and Net financial indebtedness) which are not required by IFRS, but are based on IFRS values.
These indicators are shown in order to provide a better understanding of the Group's economic and financial performance and should not be considered as substitutes of IFRS indicators.
Gross operating profit (EBITDA) is calculated as profit before amortization/depreciation and impairment losses of non-current assets, as reported in the above table of reclassified unaudited condensed consolidated statement of profit or loss.
Adjusted EBITDA is calculated in order to sterilize the impact of non-recurring items on EBITDA. Please make reference to the section on Gross operating profit (EBITDA) for the non-recurring items identified.

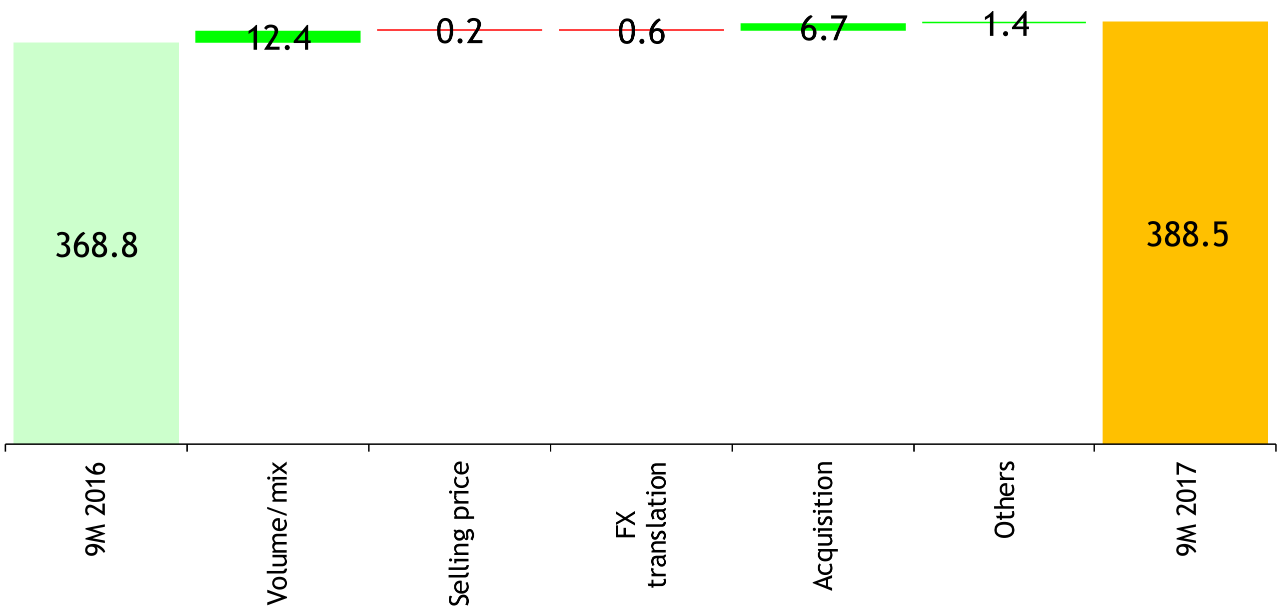
**Net revenue**

In the nine months ended September 30, 2017 (9M 2017) consolidated net revenue was € 388.5 million, up € 19.7 million or 5.3% on the nine months ended September 30, 2016 (9M 2016) mainly due to the increase in sale volumes/mix (€ 12.4 million) in Italy, Ukraine, Mexico and Argentina and to the effect of the acquisition of Guala Closures France SAS (formerly Capmetal SAS) (€ 6.7 million).

9M 2017 net revenue was negatively affected by € 0.6 million of translation impact following the Euro's revaluation versus the main currencies in which the Group operates.

9M 2017 result was also negatively impacted by 2 non-recurring effects:
1) the change in Indian local rules on alcohol sales and demonetization policy;
2) the business interruption due to a production accident in Italy.

The graph below shows the difference between 9M 2017 and 9M 2016 net revenue:



### *Net revenue by division*

The table below illustrates the net revenue by division:

| **Thousand of Euros** | **For the nine months ended September 30, 2016** | **2017** |
|---|---|---|
| Closures | 366,727 | 386,127 |
| PET | 2,073 | 2,393 |
| **Total** | **368,800** | **388,521** |

The Closures division represents the Group’s core business, specialized in the following product lines: safety closures, luxury (decorative) closures, winecaps closures, roll on (standard) closures, Pharma and other revenue.

The Closures division’s revenue increased from € 366.7 million in 9M 2016 to € 386.1 million in 9M 2017, representing an increase of € 19.4 million (stable at 99.4% of net revenue).

The PET division mainly produces standard and custom moulds, PET bottles and miniatures. This division is no longer considered as a core business for the Group.

The PET division’s revenue increased from € 2.1 million in 9M 2016 to € 2.4 million in 9M 2017 (stable at 0.6% of net revenue). The PET division’s revenue was solely generated by the PET operations in Spain.

***Net revenue by geographical segment***

The following table illustrates the geographic distribution of net revenue based on the geographical location from which the product is sold by the group companies:

| | For the nine months ended September 30, | | | |
|---|---|---|---|---|
| | 2016 | | 2017 | |
| **Thousand of Euros** | ***Amount*** | ***%*** | ***Amount*** | ***%*** |
| Europe | 201,979 | *54.8%* | 213,761 | *55.0%* |
| Asia | 55,039 | *14.9%* | 50,790 | *13.1%* |
| Latin and North America | 65,955 | *17.9%* | 74,682 | *19.2%* |
| Oceania | 35,402 | *9.6%* | 36,918 | *9.5%* |
| Africa | 10,424 | *2.8%* | 12,370 | *3.2%* |
| **Total** | **368,800** | ***100.0%*** | **388,521** | ***100.0%*** |

Net revenue from operations in Europe increased from € 202.0 million in 9M 2016, or 54.8% of net revenue, to € 213.8 million in 9M 2017, or 55.0%, representing an increase of € 11.8 million due to higher volume/mix and for € 6.7 million to the consolidation of Guala Closures France SAS (formerly Capmetal SAS), acquired in December 2016. Net revenue in this area was negatively impacted by € 3.6 million of translation differences following the Euro's appreciation mainly versus the Pound sterlin. At constant FX rates, net revenue was up € 15.3 million or 7.6% on 9M 2016.

Net revenue from operations in Asia decreased from € 55.0 million in 9M 2016, or 14.9% of net revenue, to € 50.8 million in 9M 2017, or 13.1%, representing a decrease of € 4.2 million despite the positive translation impact (€ 1.2 million) following the Euro's depreciation versus the Indian rupee. At constant FX rates, net revenue of this area decreased by € 5.5 million or 10.0% on 9M 2016 mainly due to the impacts in India of effects caused by local governmental policies (demonetization policy and change in local rules for sales of alcohol) in 1H 2017.

Net revenue from operations in Latin and North America increased from € 66.0 million in 9M 2016, or 17.9% of net revenue, to € 74.7 million in 9M 2017, or 19.2%, representing an increase of € 8.7 million despite the negative translation impact (€ 1.1 million). Excluding the FX impact, net revenue of this area increased by € 9.8 million or 14.9% on 9M 2016.

Net revenue from operations in Oceania increased from € 35.4 million in 9M 2016, or 9.6% of net revenue, to € 36.9 million in 9M 2017, or 9.5%, representing an increase of € 1.5 million of which € 1.3 million due to the positive translation impact. At constant FX rates, net revenue increased by € 0.2 million or 0.6% on 9M 2016.

Net revenue from operations in Africa increased from € 10.4 million in 9M 2016, or 2.8% of net revenue, to € 12.4 million in 9M 2017, or 3.2%, representing an increase of € 1.9 million. Net revenue in this area was positively impacted by € 1.5 million of translation effect. At constant FX rates, net revenue increased by € 0.5 million or 4.4% on 9M 2016.

The Group is not exposed to significant geographical risks other than normal business risks.

### Other operating income

Other operating income increased from € 2.4 million in 9M 2016, or 0.7% of net revenues, to € 2.6 million in 9M 2017, or 0.7% of net revenue, representing an increase of € 0.2 million.
Capitalized development expenditure and non-recurring maintenance booked in 2016 as “Other operating income” have been reclassified to the caption “Work performed by the Group and capitalized” to be consistent with 2017 classification.

### Work performed by the Group and capitalised

Work performed by the Group and capitalised increased from € 3.6 million in 9M 2016, or 1.0% of net revenue, to € 3.9 million in 9M 2017, or 1.0%, representing an increase of € 0.4 million.
This caption comprises capitalized development expenditure and non-recurring maintenance on property, plant and equipment.

### Costs for raw materials

These costs increased from € 163.5 million in 9M 2016, or 44.3% of net revenue, to € 176.9 million in 9M 2017, or 45.5%, representing an increase of € 13.4 million. The incidence on the production value increased from 43.6% in 9M 2016 to 44.1% in 9M 2017.

### Costs for services

Costs for services increased from € 65.5 million in 9M 2016, or 17.8% of net revenue, to € 71.7 million in 9M 2017, or 18.4%, representing an increase of € 6.1 million, mainly due to an increase in external processing and in transport and energy costs.

### Personnel expense

Personnel expense increased from € 70.3 million in 9M 2016, or 19.1% of net revenue, to € 75.3 million in 9M 2017, or 19.4%, representing an increase of € 5.0 million.

### Other operating expense

Other operating expense increased from € 7.2 million in 9M 2016 to € 7.7 million in 9M 2017, representing an increase of € 0.5 million (almost stable at 2.0% of net revenue).

**Gross operating profit (EBITDA)**

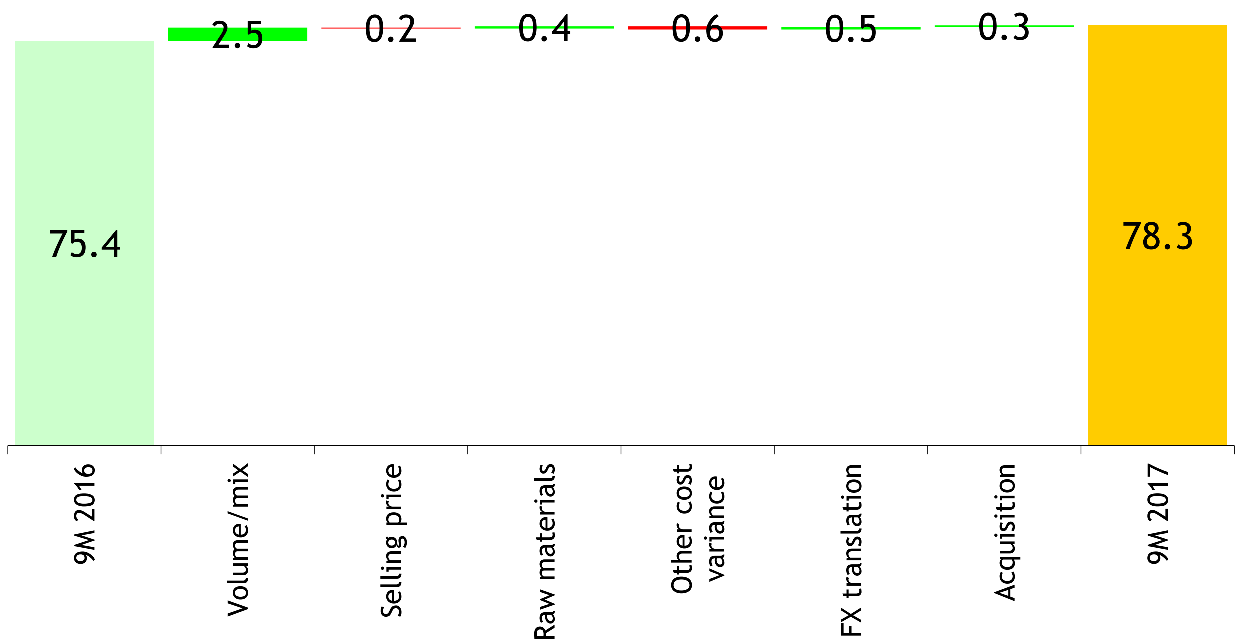
The Group's gross operating profit for 9M 2017 was € 76.2 million, 19.6% of net revenue, up € 1.7 million or 2.3% on 9M 2016.

In 9M 2017, EBITDA was impacted by € 2.1 million of non-recurring costs, of which € 1.4 million of M&A and due diligence activities and € 0.7 million of other costs.
In 9M 2016, EBITDA was impacted by € 0.8 million of non-recurring costs, of which € 0.5 million of M&A activities and € 0.3 for the rationalization of the production structure.

Excluding the non-recurring costs, the Group's gross operating profit (adjusted EBITDA) for 9M 2017 would be € 78.3 million, showing a € 2.9 million increase on 9M 2016.

Adjusted EBITDA in 9M 2017 is equal to 20.2% of net revenue (20.4% on 9M 2016).

The graph below shows the difference between 9M 2017 and 9M 2016 adjusted EBITDA:




**Amortization, depreciation and impairment losses**

Amortization, depreciation and impairment losses increased from € 22.5 million in 9M 2016, or 6.1% of net revenue, to € 23.4 million in 9M 2017, or 6.0%, representing an increase of € 0.9 million.

### Financial income and expense

Net financial expense decreased from € 33.2 million in 9M 2016 to € 31.0 million in 9M 2017.

The following table breaks down financial income and expense by nature for the two periods:

| **Thousands of Euros** | **For the nine months ended September 30, 2016** | **2017** |
|---|---|---|
| Net exchange rate losses | (4,101) | (8,032) |
| Fair value gains on derivatives | 543 | - |
| Fair value losses on liability due to non-controlling investors | (950) | - |
| Net interest expense | (28,094) | (22,048) |
| Net other financial expense | (563) | (911) |
| **Net financial expense** | **(33,164)** | **(30,991)** |

*Source: unaudited condensed consolidated interim financial statements figures*

Net financial expense in 9M 2017 is € 2.2 million lower than the previous period, mainly due to the reduction of € 7.0 million versus 9M 2016 on Net interest expense following the Group's Refinancing occurred on last November 11, 2016 that reduced significantly the interests rate on debt, partially offset by negative effect on Net exchange rate, worsened by € 3.9 million versus 9M 2016.

### Income taxes

Income taxes increased from €-13.2 million in 9M 2016, or 3.6% of net revenue, to €-16.4 million in 9M 2017, or 4.2%, representing an increase of € 3.2 million, mainly due the pre-tax income increase and to the costs accounted in relation to potential tax and related matters dating to the period 2012.

### Profit for the period

The profit for the period decreased by € 0.2 million, from €5.7 million in 9M 2016, or 1.6% of net revenue, to € 5.5 million in 9M 2017, or 1.4%.

## Reclassified consolidated statement of financial position

The table below presents the key figures of the reclassified consolidated statement of financial position.

| Thousands of Euros | December 31, 2016 | September 30, 2017 |
|---|---|---|
| Intangible assets | 373,990 | 372,119 |
| Property, plant and equipment | 189,932 | 188,860 |
| Net working capital | 90,768 | 124,685 |
| Net financial derivative liabilities | 100 | (208) |
| Employee benefits | (6,246) | (6,440) |
| Other assets/liabilities | (30,242) | (27,655) |
| **Net invested capital** | **618,303** | **651,361** |
| ***Financed by:*** | | |
| Net financial liabilities | 553,602 | 568,729 |
| Financial liabilities to non-controlling investors | 15,900 | 15,900 |
| Cash and cash equivalents | (54,703) | (28,824) |
| **Net financial indebtedness** | **514,799** | **555,805** |
| **Consolidated equity** | **103,504** | **95,556** |
| **Sources of financing** | **618,303** | **651,361** |

*Source: unaudited condensed consolidated interim financial statements figures*

### Intangible assets

Intangible assets decreased from € 374.0 million at the end of 2016 to € 372.1 million at the end of September 2017, representing a decrease of € 1.9 million, mainly due to amortization, partly offset by investments of the period.

### Property, plant and equipment

Property, plant and equipment decreased from € 189.9 million at the end of 2016 to € 188.9 million at the end of September 2017, representing a decrease of € 1.0 million. This decrease is due to depreciation and impairment losses (€ 20.6 million) and to the negative exchange rate differences (€ 5.1 million), partly compensated by net investments of the period (€ 23.6 million, mainly in Italy, Ukraine, India and Poland) and by the acquisition of Limat's assets in Messico (€ 1.1 milion).

## Net working capital

The table below provides a breakdown of net working capital.

| Thousands of Euros | December 31, 2016 | September 30, 2017 |
|---|---|---|
| Inventories | 67,883 | 90,661 |
| Trade receivables | 89,134 | 107,660 |
| Trade payables | (66,249) | (73,636) |
| **Net working capital (*)** | **90,768** | **124,685** |

*(*) The amounts set forth herein do not match the amounts used to calculate the change in working capital in the consolidated statement of cash flows for the applicable period as those amounts have been adjusted to reflect changes in exchange rates on the opening balance and impairment losses on receivables and changes in the number of consolidated companies.*

The table below analyses net working capital days, calculated on the last quarter revenue of the period.

| ***Days*** | December 31, 2016 | September 30, 2017 |
|---|---|---|
| Inventories | 46 | 59 |
| Trade receivables | 61 | 70 |
| Trade payables | (45) | (48) |
| **Net working capital days** | **62** | **82** |

Net working capital increased from € 90.8 million at December 31, 2016 to € 124.7 million at September 30, 2017, representing an increase in net working capital days from 62 to 82 days. The increase is attributable to the business seasonality.

## Net financial indebtedness

The table below gives a breakdown of net financial indebtedness.

| Thousands of Euros | December 31, 2016 | September 30, 2017 |
|---|---|---|
| Net financial liabilities - third parties | 553,602 | 568,729 |
| Financial liabilities vs non-controlling investors | 15,900 | 15,900 |
| Cash and cash equivalents | (54,703) | (28,824) |
| **Net financial indebtedness** | **514,799** | **555,805** |

Net financial indebtedness increased from € 514.8 million at December 31, 2016 to € 555.8 million at September 30, 2017, representing an increase of € 41.0 million.
This increase is mainly due to the fact that the € 16.3 million cash flow generated by operating activities has been absorbed by € 24.4 million cash flow used for investments and by € 32.9 million used for net interests and other financial items.

Cash and cash equivalents decreased from € 54.7 million at December 31, 2016 to € 28.8 million at September 30, 2017 mainly as a consequence of the business seasonality.

## Equity

The table below shows a breakdown of equity:

| Thousands of Euros | December 31, 2016 | September 30, 2017 |
|---|---|---|
| Equity attributable to the owners of the parent | 78,166 | 73,443 |
| Equity attributable to non-controlling interests | 25,338 | 22,113 |
| **Consolidated equity** | **103,504** | **95,556** |

Equity attributable to the owners of the parent decreased by € 4.7 million, mainly due to € 4.1 million of negative translation impact.
Equity attributable to non-controlling interests decreased by € 3.2 million, mainly due to € 8.7 million of dividend distribution, partly compensated by € 5.5 million profit for the period and € 0.4 million positive translation impact.

## Consolidated statement of cash flows

The table below shows the reclassified consolidated statement of cash flows as change in the cash and cash equivalents in the period:

| **Thousand of Euros** | **For the nine months ended September 30, 2016** | **2017** |
|---|---|---|
| **Opening cash and cash equivalents** | **61,944** | **54,703** |
| Cash flows generated by operating activities | 25,226 | 16,350 |
| Cash flows used in investing activities | (22,768) | (24,362) |
| Cash flows used in financing activities | (26,469) | (17,309) |
| **Net cash flows for the period** | **(24,011)** | **(25,321)** |
| Effect of exchange rate fluctuation on cash held | (967) | (558) |
| **Closing cash and cash equivalents** | **36,966** | **28,824** |

*Source: unaudited condensed consolidated interim financial statements figures*

### Cash flows generated by operating activities

The cash flow generated by operating activities decreased from € 25.2 million in 9M 2016 to € 16.3 million in 9M 2017.
The decrease of € 8.9 million was mainly due to higher absorption from the variation in net working capital (€ 6.6 million) and higher cash out for taxes (€ 1.5 million), partially compensated by higher EBITDA generated in 9M 2017 (€ 1.7 million).

### Cash flows used in investing activities

The cash flow used in investing activities increased from € -22.8 million in 9M 2016 to € -24.4 million in 9M 2017. This increase of € 1.6 million includes the acquisition of the assets of the Mexican company Limat for € 1.2 million.

### Cash flows used in financing activities

The cash flow used in financing activities decreased from € -26.5 million in 9M 2016 to € -17.3 million in 9M 2017, mainly due to higher proceeds and lower repayment of borrowings for € 14.2 million, to a capital increase received from the minority shareholders of Guala Closures France SAS (formerly Capmetal SAS) (€ 0.8 million) and to lower cash out for net interests expenses (€ 0.7 million), partly compensated by the payment of residual transaction costs on the Refinancing occurred in 2016 (€ 3.8 million), by higher dividends paid to non-controlling interest (€ 2.2 million) and by the acquisition of non-controlling interest in the Bulgarian company Guala Closures Tools A.D. (€ 1.1 million).

### Net cash flows

The net cash out flows of the period increased from € -24.0 million in 9M 2016 to € -25.3 million in 9M 2017 due to lower cash flows generated by operating activities and by higher cash flows used in investing activities, partly compensated by lower cash flows used in financing activities.

## Transactions between affiliates

During the nine months ended September 30, 2017 several transactions between affiliates occurred. The effects of such transactions have been written-off for consolidation purposes.

The material transactions between affiliates relate to:

- Sales of raw materials / semi-finished/finished products
- Services
- Technical assistance
- R&D services
- Personnel cost recharge
- Royalties contracts
- Distribution of dividends
- Financing contracts

# GCL HOLDINGS GROUP
# GCL HOLDINGS S.C.A.
# and Subsidiaries

## Unaudited condensed consolidated interim financial statements

## Unaudited condensed consolidated statement of financial position as at September 30, 2017
## ASSETS

| *(Thousands of Euros)* | December 31, 2016 | September 30, 2017 | Note |
|---|---|---|---|
| ***ASSETS*** | | | |
| ***Current assets*** | | | |
| Cash and cash equivalents | 54,703 | 28,824 | 4.2 |
| Current financial assets | 104 | 122 | |
| Trade receivables | 89,134 | 107,660 | |
| Inventories | 67,883 | 90,661 | |
| Current direct tax assets | 3,264 | 4,885 | |
| Current indirect tax assets | 6,367 | 9,320 | |
| Financial derivative assets | 533 | 53 | |
| Other current assets | 4,493 | 4,120 | |
| **Total current assets** | **226,481** | **245,644** | |
| ***Non-current assets*** | | | |
| Non-current financial assets | 598 | 923 | |
| Property, plant and equipment | 189,932 | 188,860 | |
| Intangible assets | 373,990 | 372,119 | |
| Deferred tax assets | 7,293 | 7,284 | |
| Other non-current assets | 712 | 471 | |
| **Total non-current assets** | **572,525** | **569,657** | |
| **TOTAL ASSETS** | **799,006** | **815,301** | |

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these unaudited condensed consolidated interim financial statements.

# Unaudited condensed consolidated statement of financial position as at September 30, 2017
## LIABILITIES AND EQUITY

| *(Thousands of Euros)* | December 31, 2016 | September 30, 2017 | Note |
|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | |
| ***Current liabilities*** | | | |
| Current financial liabilities | 12,446 | 16,489 | 4.1 |
| Trade payables | 66,249 | 73,636 | |
| Current direct tax liabilities | 4,487 | 4,685 | |
| Current indirect tax liabilities | 4,556 | 7,726 | |
| Current provisions | 1,176 | 716 | |
| Financial derivative liabilities | 433 | 261 | |
| Other current liabilities | 26,629 | 26,379 | |
| **Total current liabilities** | **115,976** | **129,892** | |
| ***Non-current liabilities*** | | | |
| Non-current financial liabilities | 557,758 | 569,184 | 4.1 |
| Employee benefits | 6,246 | 6,440 | |
| Deferred tax liabilities | 15,329 | 13,985 | |
| Non-current provisions | 151 | 208 | |
| Other non-current liabilities | 43 | 36 | |
| **Total non-current liabilities** | **579,526** | **589,853** | |
| **Total liabilities** | **695,502** | **719,745** | |
| Share capital and reserves attributable to non-controlling interests | 17,024 | 16,591 | |
| Profit for the period attributable to non-controlling interests | 8,314 | 5,521 | |
| **Equity attributable to non-controlling interests** | **25,338** | **22,113** | |
| ***Equity attributable to the owners of the parent*** | | | |
| Share capital | 141 | 141 | |
| Share premium and other similar reserves | 295,228 | 295,228 | |
| Translation reserve | (46,302) | (50,361) | |
| Hedging reserve | (796) | (666) | |
| Losses carried forward and other reserves | (158,136) | (170,843) | |
| Loss for the period | (11,969) | (56) | |
| **Equity attributable to the owners of the parent** | **78,166** | **73,443** | |
| **Total equity** | **103,504** | **95,556** | |
| **TOTAL LIABILITIES AND EQUITY** | **799,006** | **815,301** | |

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these unaudited condensed consolidated interim financial statements.

## Unaudited condensed consolidated statement of profit or loss and other comprehensive income/(expense) for the nine months ended September 30, 2017

| ***(Thousands of Euros)*** | **For the nine months ended September 30,** | | |
|---|---|---|---|
| | **2016 (*)** | **2017** | **Note** |
| ***Net revenue*** | **368,800** | **388,521** | |
| Change in inventories of finished goods and semi-finished products | 6,230 | 12,711 | |
| Other operating income | 2,398 | 2,593 | |
| Work performed by the Group and capitalised | 3,589 | 3,950 | |
| Costs for raw materials | (163,485) | (176,900) | |
| Costs for services | (65,533) | (71,674) | |
| Personnel expense | (70,280) | (75,297) | |
| Other operating expense | (7,172) | (7,662) | |
| Amortization, depreciation and impairment losses | (22,453) | (23,406) | |
| **Operating profit** | **52,094** | **52,835** | |
| Financial income | 5,083 | 2,047 | 5 |
| Financial expense | (38,248) | (33,038) | 6 |
| **Net finance costs** | **(33,164)** | **(30,991)** | |
| **Profit before taxation** | **18,929** | **21,845** | |
| Income taxes | (13,210) | (16,379) | |
| **Profit for the period** | **5,719** | **5,466** | |

## Other comprehensive income/(expense)

| | | |
|---|---|---|
| **Items that will never be reclassified to profit or loss:** | | |
| Actuarial gains/(losses) on the defined benefit liability (asset) | (400) | (75) |
| ***Sub-total*** | ***(400)*** | ***(75)*** |
| **Items that are or may be reclassified subsequently to profit or loss:** | | |
| Foreign currency translation differences for foreign operations | (989) | (3,689) |
| Effective portion of fair value gains (losses) of cash flows hedges | (40) | 2 |
| Net change in fair value of cash flows hedges reclassified to profit or loss | 211 | 168 |
| Income taxes on other comprehensive income | (47) | (41) |
| ***Sub-total*** | **(865)** | **(3,559)** |
| **Total comprehensive expense for the period, net of tax** | **(1,265)** | **(3,635)** |
| **Total comprehensive income for the period** | **4,454** | **1,831** |
| Profit (loss) attributable to: | | |
| owners of the parent | (237) | (56) |
| non-controlling interests | 5,956 | 5,521 |
| Total comprehensive income/(expenses) attributable to: | | |
| owners of the parent | (2,274) | (4,060) |
| non-controlling interests | 6,728 | 5,891 |

*(*) 2016 figures were represented since capitalized development expenditure and non-recurring maintenance booked in 2016 as "Other operating income" have been reclassified to the caption "Work performed by the Group and capitalized"*

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these unaudited condensed consolidated interim financial statements.

## Unaudited condensed consolidated statement of cash flows for the nine months ended September 30, 2017

| *(Thousands of Euros)* | For the nine months ended September 30 | | |
|---|---|---|---|
| | **2016** | **2017** | **Note** |
| **Opening cash and cash equivalents** | **61,944** | **54,703** | **4.2** |
| **A) Cash flows generated by operating activities** | | | |
| Profit before taxation | 18,929 | 21,845 | |
| Amortization, depreciation and impairment losses | 22,453 | 23,406 | |
| Net finance costs | 33,164 | 30,991 | |
| Change in: | | | |
| Receivables, payables and inventory | (32,120) | (38,729) | |
| Other | 12 | (2,471) | |
| VAT and indirect tax assets/liabilities | (1,991) | 375 | |
| Income taxes paid | (15,221) | (19,067) | |
| **TOTAL** | **25,226** | **16,350** | |
| **B) Cash flows used in investing activities** | | | |
| Acquisitions of property, plant and equipment and intangibles | (22,818) | (23,220) | |
| Proceeds from sale of property, plant and equipment and intangibles | 50 | 84 | |
| Acquisition of Limat assets | - | (1,226) | |
| **TOTAL** | **(22,768)** | **(24,362)** | |
| **C) Cash flows used in financing activities** | | | |
| Acquisition of non-controlling interest in Guala Closures Tools A.D. | - | (1,050) | |
| Interest income | 1,428 | 655 | 5 |
| Interest expense | (23,481) | (22,013) | 6 |
| Payment of transaction costs on Bonds and Revolving Credit Facility | - | (3,768) | |
| Other financial items | (360) | 474 | |
| Dividends paid to non-controlling interest | (4,029) | (6,249) | |
| Proceeds from minority for Capmetal SAS capital increase | - | 824 | |
| Proceeds from new borrowings | 13,847 | 18,181 | |
| Repayment of borrowings | (12,384) | (2,470) | |
| Repayment of finance leases | (1,503) | (1,550) | |
| Change in financial assets | 12 | (343) | |
| **TOTAL** | **(26,469)** | **(17,309)** | |
| **D) Net cash flows for the period (A+B+C)** | **(24,011)** | **(25,321)** | |
| Effect of exchange rate fluctuations on cash held | (967) | (558) | |
| **Closing cash and cash equivalents** | **36,966** | **28,824** | **4.2** |

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these unaudited condensed consolidated interim financial statements.

**Unaudited condensed consolidated statement of changes in equity for the nine months ended September 30, 2017**

| | *Attributable to owners of the Company* | | | | | | | *Non-controlling interests* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Thousands of €)* | *Share capital* | *Share premium and other similar reserves* | *Translation reserve* | *Hedging reserve* | *Losses carried forward and other reserves* | *Result for the period* | *Equity attributable to the owners of the Company* | *Share capital and reserves attributable to non-controlling interests* | *Profit for the period attributable to non-controlling interests* | *Equity attributable to non-controlling interests* | *Total equity* |
| **January 1, 2016** | **141** | **295,228** | **(46,077)** | **(974)** | **(145,874)** | **(12,100)** | **90,344** | **17,302** | **7,397** | **24,699** | **115,043** |
| Allocation of 2015 profit (loss) | | | | | (12,100) | 12,100 | - | 7,397 | (7,397) | - | - |
| Profit (loss) for the period ended September 30, 2016 | | | | | | (237) | (237) | | 5,956 | 5,956 | 5,719 |
| Other comprehensive expense | | | (1,761) | 124 | (400) | - | (2,037) | 772 | - | 772 | (1,265) |
| ***Total comprehensive income/(expense) of the period*** | ***-*** | ***-*** | ***(1,761)*** | ***124*** | ***(12,500)*** | ***11,863*** | ***(2,274)*** | ***8,169*** | ***(1,441)*** | ***6,728*** | ***4,454*** |
| Dividends to non-controlling interests (declared) | | | | | | | - | (8,416) | | (8,416) | (8,416) |
| ***Total distributions to owners of the Company*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***(8,416)*** | ***-*** | ***(8,416)*** | ***(8,416)*** |
| **September 30, 2016** | **141** | **295,228** | **(47,838)** | **(850)** | **(158,374)** | **(237)** | **88,070** | **17,054** | **5,956** | **23,011** | **111,080** |
| **January 1, 2017** | **141** | **295,228** | **(46,302)** | **(796)** | **(158,136)** | **(11,969)** | **78,166** | **17,024** | **8,314** | **25,338** | **103,504** |
| Allocation of 2016 profit (loss) | | | | | (11,969) | 11,969 | - | 8,314 | (8,314) | - | - |
| Profit for the period ended September 30, 2017 | | | | | | (56) | (56) | | 5,521 | 5,521 | 5,466 |
| Other comprehensive expense | | | (4,058) | 129 | (75) | | (4,004) | 370 | | 370 | (3,635) |
| ***Total comprehensive income/(expense) of the period*** | ***-*** | ***-*** | ***(4,058)*** | ***129*** | ***(12,044)*** | ***11,913*** | ***(4,060)*** | ***8,684*** | ***(2,793)*** | ***5,891*** | ***1,831*** |
| Dividends to non-controlling interests (declared) | | | | | | | - | (8,729) | | (8,729) | (8,729) |
| ***Total distributions to owners of the Company*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***(8,729)*** | ***-*** | ***(8,729)*** | ***(8,729)*** |
| Acquisition of non-controlling interests without a change in control | | | | | (663) | | (663) | (387) | | (387) | (1,050) |
| ***Total changes in ownership interests*** | ***-*** | ***-*** | ***-*** | ***-*** | ***(663)*** | ***-*** | ***(663)*** | ***(387)*** | ***-*** | ***(387)*** | ***(1,050)*** |
| **September 30, 2017** | **141** | **295,228** | **(50,361)** | **(666)** | **(170,843)** | **(56)** | **73,443** | **16,591** | **5,521** | **22,113** | **95,556** |

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these unaudited condensed consolidated interim financial statements.

# Notes to the unaudited condensed consolidated interim financial statements as at September 30, 2017

## (1) General information

GCL Holdings S.C.A. (the "Company") is domiciled in Luxembourg. The unaudited condensed consolidated interim financial report of GCL Holdings S.C.A. as at and for the nine months ended September 30, 2017 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

GCL Holdings S.C.A. is the owner of Guala Closures S.p.A. and its subsidiaries from September 2008 pursuant to a voluntary public tender offer.
The Group's main activities involve the design and manufacturing of closures for spirits, wine and non-alcoholic drinks such as water, olive oil and vinegar, as well as pharma to be sold on the domestic and international markets.
The Group is also active in the field of production of PET plastic preforms and bottles.

The Group structure is reported at page 5 of this Report.

In the first nine months of 2017 the following transactions took place:

### Acquisition of the Indian company AXIOM PROPACK PVT Ltd:

On July 5, 2017, the Group signed in Mumbai an agreement for the purchase of 100% of shares of Axiom Propack Pvt Ltd, an Indian company active in the production of safety closures for spirits; the completion of the deal occured in the month of October, as it was subject to customary closing conditions as per Indian law.

Axiom has a production unit in Karnataka, is serving the Indian IMFL (Indian Made Foreign Liquors) market and its activity started in 2016 with a first year turnover of about € 6 million.

With this acquisition, the Group aims to reinforce its position in the area and to increase its production capacity in order to properly answer to the growing demand of protection against products' counterfeiting.

### Acquisition of the activity of LIMAT S.A. de C.V.:

On July 13, 2017, the Group signed an agreement for the acquisition of the assets of LIMAT S.A. de C.V., a Mexican company specialised in the manufacturing of wood overcaps for top-range spirit bottles.

The activity of Limat is based in Mexico City and in 2016 recorded a turnover of approximately € 1 million.

With this acquisition, the Group continues its production integration, to develop its products to the top of the spirits range, especially Tequila.

The total consideration transfer for this acquisition is € 1.2 million plus VAT.

The transaction has only been recognized provisionally.

### Change in company denomination:

On September 1, 2017, Capmetal SAS changed its name to Guala Closures France SAS.

### Acquisition of non-controlling interest in Guala Closures Tools A.D.:

On September 11, 2017, the Group acquired a residual non-controlling interest (30%) in Guala Closures Tools A.D. (Bulgaria) through its holding company Guala Closures Bulgaria A.D. for € 1.1 million.

## (2) Basis of preparation

This unaudited condensed consolidated interim financial statements contains unaudited condensed consolidated interim financial statements of GCL Holdings S.C.A. and its subsidiaries for the nine month period ended September 30, 2016 and September 30, 2017 ("the interim financial statements").

Althought the financial information presented in this interim financial statements has been prepared in accordance with international accounting standard ("IAS"), this interim financial information is not required to be prepared in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting" and consequently has not been prepared in accordance with IAS 34. They should be read in conjunction with the annual consolidated financial statements and the notes thereto in the Company annual report for the year ended December 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by E.U.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2016. These unaudited condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with IFRS as adopted by E.U.

Preparing these unaudited condensed consolidated interim financial statements require Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial report, significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2016.

The unaudited condensed consolidated interim financial statements have been prepared in euros, rounding the amounts to the nearest thousand. Any discrepancies between financial statements balances and those on the tables of the notes to the unaudited condensed consolidated interim financial statements are due exclusively to the rounding and do not alter their reliability or substance.

GCL Holdings S.C.A.'s Board of Directors approved the unaudited condensed consolidated interim financial statements on November 28, 2017.

The following exchange rates are applied to translate those financial statements presented in currencies that are not legal tender in Luxembourg:

**Statement of financial position**

| 1 Euro = x foreign currency | September 30, 2016 | December 31, 2016 | September 30, 2017 |
|---|---|---|---|
| **Pound sterlin** | 0.86103 | 0.85618 | 0.88178 |
| **US dollar** | 1.11610 | 1.05410 | 1.18060 |
| **Indian rupee** | 74.36550 | 71.59350 | 77.06900 |
| **Mexican peso** | 21.73890 | 21.77190 | 21.46140 |
| **Colombian peso** | 3,207.12870 | 3,169.49219 | 3,468.37004 |
| **Brazilian real** | 3.62100 | 3.43050 | 3.76350 |
| **Chinese renmimbi** | 7.44630 | 7.32020 | 7.85340 |
| **Argentinean peso** | 17.02207 | 16.74881 | 20.66327 |
| **Polish zloty** | 4.31920 | 4.41030 | 4.30420 |
| **New Zealand dollar** | 1.53690 | 1.51580 | 1.63540 |
| **Australian dollar** | 1.46570 | 1.45960 | 1.50750 |
| **Ukrainian hryvnia** | 28.94391 | 28.73860 | 31.39747 |
| **Bulgarian lev** | 1.95580 | 1.95580 | 1.95580 |
| **South African Rand** | 15.52380 | 14.45700 | 15.9440 |
| **Japanese Yen** | 113.09000 | 123.40000 | 132.8200 |
| **Chilean peso** | 734.34681 | 704.94519 | 751.6360 |

**Statement of profit or loss**

| 1 Euro = x foreign currency | September 30, 2016 | September 30, 2017 |
|---|---|---|
| **Pound sterlin** | 0.80217 | 0.87249 |
| **US dollar** | 1.11582 | 1.11315 |
| **Indian rupee** | 74.89909 | 72.58751 |
| **Mexican peso** | 20.41354 | 20.99703 |
| **Colombian peso** | 3,420.23111 | 3,272.32222 |
| **Brazilian real** | 3.96418 | 3.53115 |
| **Chinese renmimbi** | 7.34317 | 7.57206 |
| **Argentinean peso** | 16.22051 | 18.09199 |
| **Polish zloty** | 4.35880 | 4.26477 |
| **New Zealand dollar** | 1.61379 | 1.55557 |
| **Australian dollar** | 1.50528 | 1.45303 |
| **Ukrainian hryvnia** | 28.38677 | 29.45677 |
| **Bulgarian lev** | 1.95580 | 1.95580 |
| **South African Rand** | 16.70196 | 14.7003 |
| **Japanese Yen** | 121.10711 | 124.5623 |
| **Chilean peso** | 758.98967 | 727.4333 |

## (3) Accounting policies

The accounting policies applied by the Group in these unaudited condensed consolidated interim financial statements are consistent with those used by the Group in its annual consolidated financial statements as at and for the year ended December 31, 2016. The same accounting policies are also expected to be reflected in the Group's annual consolidated financial statements as at and for the year ending December 31, 2017.

Capitalized development expenditure and non-recurring maintenance booked in 2016 as "Other operating income" have been reclassified to the caption "Work performed by the Group and capitalized" to be consistent with 2017 classification.

Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2016.

## (4) Net financial indebtedness

The net financial indebtdness is composed as follows:

| Thousands of Euros | As at December 31, 2016 | As at September 30, 2017 |
|---|---|---|
| Financial liabilities | 554,304 | 569,774 |
| Financial liabilities vs Ukrainian minority | 15,900 | 15,900 |
| Financial assets | (702) | (1,045) |
| Cash and cash equivalents | (54,703) | (28,824) |
| **Net financial indebtdness** | **514,799** | **555,805** |

The liability to the Ukrainian non-controlling investors relates to recognition of these investors' right to exercise a put option if certain conditions are met. It represents the discounted estimated value of the put option at its estimated time of exercise. The estimate of the value of this option is performed six-monthly only and it remained unchanged compared to the value accounted at December 2016.

### (4.1) Financial liabilities

Financial liabilities at December 31, 2016 and September 30, 2017 are shown below:

| Thousands of Euros | December 31, 2016 | September 30, 2017 |
|---|---|---|
| **Current financial liabiities** | | |
| Bond | 3,365 | 3,095 |
| Bank loans and borrowings | 6,299 | 11,221 |
| Other financial liabilities | 2,782 | 2,172 |
| | 12,446 | 16,489 |
| **Non-current financial liabiities** | | |
| Bond | 499,698 | 501,269 |
| Bank loans and borrowings | 34,346 | 45,854 |
| Other financial liabilities | 23,714 | 22,062 |
| | 557,758 | 569,184 |
| **Total** | **570,204** | **585,674** |

The terms and expiry dates of the financial liabilities at December 31, 2016 and September 30, 2017 are shown below:

| | **Nominal amount** | | | | | |
|---|---|---|---|---|---|---|
| **Thousands of Euros** | **Total December 31, 2016** | **Within one year** | **From one to five years** | **After five years** | **Current** | **Non-current** |
| **BONDS:** | | | | | | |
| Floating Rate Senior Secured Notes due in 2021 issued by Guala Closures S.p.A. | 510,000 | - | 510,000 | - | - | 510,000 |
| Accrued interest - Guala Closures S.p.A. | 3,365 | 3,365 | - | - | 3,365 | - |
| Transaction costs | (10,302) | - | (10,302) | - | - | (10,302) |
| **TOTAL FRSSN 2021 Guala Closures S.p.A.** | **503,063** | **3,365** | **499,698** | **-** | **3,365** | **499,698** |
| **BANK LOANS AND BORROWINGS:** | | | | | | |
| Senior Revolving Credit Facility | 34,000 | - | 34,000 | - | - | 34,000 |
| Transaction costs | (1,487) | - | (1,487) | - | - | (1,487) |
| **Total Senior Revolving Credit Facility** | **32,513** | **-** | **32,513** | **-** | **-** | **32,513** |
| Accrued interest and expense - Guala Closures S.p.A. | (4) | (4) | - | - | (4) | - |
| Handlowy S.A. / Millennium S.A. bank overdraft (Poland) | 3,586 | 3,586 | - | - | 3,586 | - |
| Bancolombia loan (Colombia) | 287 | 221 | 66 | - | 221 | 66 |
| Bradesco / ITAU loan (Brazil) | 1,179 | 719 | 460 | - | 719 | 460 |
| Advances on receivables and loans (Argentina) | 1,434 | 1,022 | 411 | - | 1,022 | 411 |
| Bancomer loan (Mexico) | 1,652 | 756 | 896 | - | 756 | 896 |
| **TOTAL BANK LOANS AND BORROWINGS** | **40,645** | **6,299** | **34,346** | **-** | **6,299** | **34,346** |
| **OTHER FINANCIAL LIABILITIES:** | | | | | | |
| Guala Closures S.p.A. finance leases | 9,821 | 2,034 | 7,787 | - | 2,034 | 7,787 |
| Liability to the Ukrainian non-controlling investors | 15,900 | - | - | 15,900 | - | 15,900 |
| Other liabilities | 775 | 748 | 27 | - | 748 | 27 |
| **TOTAL OTHER FINANCIAL LIABILITIES** | **26,496** | **2,782** | **7,814** | **15,900** | **2,782** | **23,714** |
| **TOTAL** | **570,204** | **12,446** | **541,858** | **15,900** | **12,446** | **557,758** |

| | Nominal amount | | | | | |
|---|---|---|---|---|---|---|
| **Thousands of Euros** | **Total September 30, 2017** | **Within one year** | **From one to five years** | **After five years** | **Current** | **Non-current** |
| **BONDS:** | | | | | | |
| Floating Rate Senior Secured Notes due in 2021 issued by Guala Closures S.p.A. | 510,000 | - | 510,000 | - | - | 510,000 |
| Accrued interest - Guala Closures S.p.A. | 3,095 | 3,095 | - | - | 3,095 | - |
| Transaction costs | (8,731) | - | (8,731) | - | - | (8,731) |
| **TOTAL FRSSN 2021 Guala Closures S.p.A.** | **504,364** | **3,095** | **501,269** | **-** | **3,095** | **501,269** |
| **BANK LOANS AND BORROWINGS:** | | | | | | |
| Senior Revolving Credit Facility | 46,000 | - | 46,000 | - | - | 46,000 |
| Transaction costs | (1,259) | - | (1,259) | - | - | (1,259) |
| **Total Senior Revolving Credit Facility** | **44,741** | **-** | **44,741** | **-** | **-** | **44,741** |
| Accrued interest and expense - Guala Closures S.p.A. | 33 | 33 | - | - | 33 | - |
| Handlowy S.A. / Millennium S.A. bank overdraft (Poland) | 4,557 | 4,557 | - | - | 4,557 | - |
| Banco de la Nacion Argentina loan (Chile) | 565 | 141 | 424 | - | 141 | 424 |
| Bancolombia loan (Colombia) | 111 | 111 | - | - | 111 | - |
| Bradesco / ITAU loan (Brazil) | 551 | 468 | 84 | - | 468 | 84 |
| Advances on receivables and loans (Argentina) | 2,569 | 2,404 | 166 | - | 2,404 | 166 |
| Bancomer loan (Mexico) | 3,949 | 3,509 | 440 | - | 3,509 | 440 |
| **TOTAL BANK LOANS AND BORROWINGS** | **57,076** | **11,221** | **45,854** | **-** | **11,221** | **45,854** |
| **OTHER FINANCIAL LIABILITIES:** | | | | | | |
| Guala Closures S.p.A. finance leases | 8,271 | 2,143 | 6,129 | - | 2,143 | 6,129 |
| Liability to the Ukrainian non-controlling investors | 15,900 | - | - | 15,900 | - | 15,900 |
| Other liabilities | 63 | 30 | 33 | - | 30 | 33 |
| **TOTAL OTHER FINANCIAL LIABILITIES** | **24,234** | **2,172** | **6,162** | **15,900** | **2,172** | **22,062** |
| **TOTAL** | **585,674** | **16,489** | **553,284** | **15,900** | **16,489** | **569,184** |

The Group's main outstanding financing instruments as at September 30, 2017 are Guala Closures S.p.A.'s Floating Rate Senior Secured Notes due 2021 and Guala Closures S.p.A.'s Senior Revolving Facility.

| **Credit facility** | **Available amount (thousands of Euros)** | **Amount used at September 30, 2017** | **Residual available amount at September 30, 2017** | **Repayment date** |
|---|---|---|---|---|
| Bond Guala Closures S.p.A. - Floating Rate Senior Secured Notes due 2021 | 510,000 | 510,000 | - | final repayment 11/15/2021 |
| Senior Revolving Facility due 2021 | 65,000 | 46,000 | 19,000 | final repayment 08/15/2021 |
| **Total** | **575,000** | **556,000** | **19,000** | |

## (4.2) Cash and cash equivalents

Cash and cash equivalents amount to € 28,824 thousand at September 30, 2017 (€ 54,703 thousand at December 31, 2016): the reduction is mainly due to business seasonality.

## (5) Financial income

This caption includes:

| Thousands of Euros | For the nine months ended September 30, 2016 | 2017 |
|---|---|---|
| Exchange rate gains | 3,092 | 1,392 |
| Interest income | 1,282 | 562 |
| Other financial income | 146 | 92 |
| Fair value gains on aluminium derivatives | 563 | - |
| **Total** | **5,083** | **2,047** |

## (6) Financial expense

This caption includes:

| Thousands of Euros | For the nine months ended September 30, 2016 | 2017 |
|---|---|---|
| Interest expense | 29,375 | 22,610 |
| Exchange rate losses | 7,193 | 9,425 |
| Financial expense - non-controlling investors in the Ukrainian company | 950 | - |
| Fair value losses on aluminum derivatives | 20 | - |
| Other financial expense | 709 | 1,003 |
| **Total** | **38,248** | **33,038** |

The interest rates and interest expense by facility for the nine months ended September 30 are shown below:

| Thousands of Euros | Currency | Nominal interest rate | Interest expense For the nine months ended September 30, 2016 | 2017 |
|---|---|---|---|---|
| **BONDS:** | | | | |
| HY BONDS - GCL Holdings S.C.A. - 20/04/11 | EUR | 9.375% | 14,063 | - |
| Amortisation of transaction costs | EUR | n.a. | 929 | - |
| **Total HY BONDS - GCL Holdings S.C.A.** | | | **14,992** | **-** |
| BONDS - Guala Closures S.p.A. - 13/11/12 - due 2019 | EUR | euribor 3M + 5.375% | 10,812 | - |
| Amortisation of transaction costs | EUR | n.a. | 611 | - |
| BONDS - Guala Closures S.p.A. - 11/11/16 - due 2021 | EUR | euribor 3M + 4.75% | - | 18,371 |
| Amortisation of transaction costs | EUR | n.a. | - | 1,571 |
| **Total BONDS - Guala Closures S.p.A.** | | | **11,423** | **19,942** |
| **BANK LOAN AND BORROWINGS:** | | | | |
| Senior Revolving Facility due 2017 | EUR | euribor 3M + 3.75% | 1,555 | - |
| Amortisation of transaction costs | EUR | n.a. | 386 | - |
| Senior Revolving Facility due 2021 | EUR | euribor 3M + 4.00% | - | 1,137 |
| Amortisation of transaction costs | EUR | n.a. | - | 228 |
| **Total Senior Revolving Facility** | | | **1,941** | **1,365** |
| Other bank loans Guala Closures S.p.A. | EUR | n.a. | 3 | 7 |
| Commitment fees on RCF due 2017 | EUR | n.a. | 234 | - |
| Commitment fees on RCF due 2021 | EUR | n.a. | - | 250 |
| Advances on receivables and loans (Argentina) | AR$ | n.a. | 227 | 479 |
| Loan Bancolombia (Colombia) | COP | n.a. | 30 | 16 |
| Loan Banco de la Nacion Argentina (Chile) | CLP | 7.56% | - | 26 |
| Loan Bancomer (Mexico) | MXP | 3.62% | 47 | 83 |
| **Total other bank loans and borrowings** | | | **542** | **861** |
| **Other financial liabilities:** | | | | |
| Guala Closures S.p.A. finance leases | EUR | euribor + 1.5% (*) | 109 | 82 |
| IRS on Leasing | EUR | n.a. | 211 | 168 |
| Bulgarian companies finance leases | BGN | n.a. | 1 | - |
| Other liabilities | | n.a. | 157 | 192 |
| **Total other financial liabilities** | | | **478** | **442** |
| **TOTAL** | | | **29,375** | **22,610** |

(*) Nominal interest rate on the property finance lease.

## (7) Related party transactions

Intragroup transactions and balances between consolidated group companies are eliminated on consolidation and, therefore, do not appear in the unaudited condensed consolidated interim financial statements figures and are not disclosed in this report.

Melville S.r.l. is considered a related party of the Group.
The relationships between Melville S.r.l. and the Group at September 30, 2017 are summarized below:
- at September 30, 2017, Melville S.r.l. has a representative on the board of directors and a representative on the board of statutory auditors of Guala Closures S.p.A.;
- at September 30, 2017, Melville S.r.l. has a representative on the board of directors of GCL Holdings S.C.A.;
- at September 30, 2017, Melville S.r.l. has a representative on the board of directors of GCL Holdings GP S.à r.l.;
- at September 30, 2017, Melville S.r.l. has a representative on the board of directors of GCL Holdings LP S.à r.l.;
- at September 30, 2017, Melville S.r.l. controls an ultimate beneficial voting interest of 19.6%, via an investment in GCL Holdings L.P. S.à r.l..
- transactions with Melville took place on an arm's length basis.

In addition, Merchant Banking Funds is considered to be a related party of the Group.
APriori Capital Partners L.P. manages the Merchant Banking Funds.
The transactions and relationships between Merchant Banking Funds and the Group at September 30, 2017 are summarized below:
- at September 30, 2017, aPriori Capital Partners L.P. had five representatives on the board of directors of Guala Closures S.p.A.;
- at September 30, 2017, aPriori Capital Partners L.P. had seven representatives on the board of directors of GCL Holdings S,C.A.;
- at September 30, 2017, aPriori Capital Partners L.P. had four representatives on the board of directors of GCL Holdings GP S.à r. l.;
- at September 30, 2017, aPriori Capital Partners L.P. had two representatives on the board of directors of GCL Holdings LP S.à r. l.;
- at September 30, 2017, MB Overseas Partners IV, L.P., Merchant Banking Partners IV (Pacific), L.P., Offshore Partners IV, L.P., MBP IV Plan Investors, L.P. and MB Overseas IV AIV, L.P. were collectively the beneficial owners of 58% of GCL Holdings S.C.A. via their indirect ownership of 35.4% of GCL Holdings L.P. S.à r.l.;
- transactions with aPriori Capital Partners L.P. took place on an arm's length basis.

Related parties also include a pension fund for employees of the former Metal Closures Ltd. (now Guala Closures UK Ltd.) managed by Metal Closures Group Trustees Ltd.. Considering the performance of the pension fund, the English Company was not required to transfer funds thereto. Employees have paid their contributions. Reference should be made to note 18) "Employee benefits" to the 2016 consolidated financial statements for additional information.

## (8) Subsequent events

### Completion of the acquisition of the Indian company AXIOM PROPACK Pvt Ltd:

On October 13, 2017, the Group completed the procedure for the acquisition of the Indian company Axiom Propack Pvt Ltd.

The total consideration transfer for this acquisition is € 5.9 million; the acquired subsidiary also includes € 5.4 million of financial indebtedness.

### Acquisition of the activity of the Chilean company ICSA:

On October 17, 2017, the Group completed the acquisition of the screw caps activity of ICSA (Industria Corchera S.A.), the Chilean company specialised in promoting and selling packaging products for the wine Industry in South-America.

The acquired activity of ICSA, based in Santiago de Chile, recorded a turnover of approximately € 4 million in 2016; this deal increases the Group local production capacity to face the growing demands of South American wines.

The total consideration transfer for this acquisition is around € 4.5 million.

## Material developments in the business of the Company and its Subsidiaries

No material development in the Group's business as disclosed in the Consolidated financial statements as at December 31, 2016.

# Risk factors

There have not been any material changes to the risk factors disclosed in the Consolidated financial statements as at December 31, 2016.

On behalf of the Board of Directors
Managing Director
Marco Giovannini

Luxembourg, November 28, 2017

# Annex to the unaudited condensed consolidated interim financial statements

**Annex A)**

Quarterly figures

# ANNEX A)

## Reclassified unaudited condensed consolidated income statement

| *(Thousands of Euros)* | 3Q 2016 | 3Q 2017 | 9M 2016 | 9M 2017 |
|---|---|---|---|---|
| ***Net revenue*** | **133,415** | **137,485** | **368,800** | **388,521** |
| Change in inventories of finished/semi-finished products | (4,876) | (1,582) | 6,230 | 12,711 |
| Other operating income | 749 | 574 | 2,398 | 2,593 |
| Work performed by the Group and capitalised | 920 | 825 | 3,589 | 3,950 |
| Costs for raw materials | (54,774) | (57,708) | (163,485) | (176,900) |
| Costs for services | (22,096) | (23,510) | (65,533) | (71,674) |
| Personnel expense | (22,792) | (24,164) | (70,280) | (75,297) |
| Other operating expense | (2,145) | (2,388) | (7,172) | (7,662) |
| **Gross operating profit (EBITDA)** | **28,402** | **29,532** | **74,547** | **76,242** |
| Amortization, depreciation and impairment losses | (7,306) | (7,603) | (22,453) | (23,406) |
| **Operating profit** | **21,096** | **21,929** | **52,094** | **52,835** |
| Financial income | 1,186 | 1,122 | 5,083 | 2,047 |
| Financial expense | (11,964) | (11,455) | (38,248) | (33,038) |
| **Profit before taxation** | **10,318** | **11,595** | **18,929** | **21,845** |
| Income taxes | (5,550) | (7,001) | (13,210) | (16,379) |
| **Profit for the period** | **4,768** | **4,593** | **5,719** | **5,466** |
| *Source: unaudited condensed consolidated interim financial statements figures* | | | | |
| **Gross operating profit adjusted (Adjusted EBITDA)** | **28,974** | **30,835** | **75,380** | **78,299** |
| *% on net revenue* | *21.7%* | *22.4%* | *20.4%* | *20.2%* |

## Net revenue by division

| **Thousand of Euros** | 3Q 2016 | 3Q 2017 | 9M 2016 | 9M 2017 |
|---|---|---|---|---|
| Closures | 132,785 | 137,028 | 366,727 | 386,127 |
| PET | 630 | 456 | 2,073 | 2,393 |
| **Total** | **133,415** | **137,485** | **368,800** | **388,521** |

## Net revenue by geographical segment

| **Thousand of Euros** | 3Q 2016 *Amount* | 3Q 2016 *%* | 3Q 2017 *Amount* | 3Q 2017 *%* | 9M 2016 *Amount* | 9M 2016 *%* | 9M 2017 *Amount* | 9M 2017 *%* |
|---|---|---|---|---|---|---|---|---|
| Europe | 70,785 | *53.1%* | 73,719 | *53.6%* | 201,979 | *54.8%* | 213,761 | *55.0%* |
| Asia | 18,856 | *14.1%* | 18,098 | *13.2%* | 55,039 | *14.9%* | 50,790 | *13.1%* |
| Latin and North America | 26,666 | *20.0%* | 28,704 | *20.9%* | 65,955 | *17.9%* | 74,682 | *19.2%* |
| Oceania | 13,205 | *9.9%* | 12,622 | *9.2%* | 35,402 | *9.6%* | 36,918 | *9.5%* |
| Africa | 3,902 | *2.9%* | 4,341 | *3.2%* | 10,424 | *2.8%* | 12,370 | *3.2%* |
| **Total** | **133,415** | ***100.0%*** | **137,485** | ***100.0%*** | **368,800** | ***100.0%*** | **388,521** | ***100.0%*** |

## *Net financial expense*

| | 3Q | | 9M | |
|---|---|---|---|---|
| **Thousands of Euros** | **2016** | **2017** | **2016** | **2017** |
| Net exchange rate losses | (1,218) | (2,558) | (4,101) | (8,032) |
| Fair value gains on derivatives | (33) | - | 543 | - |
| Fair value losses on liability due to non-controlling investors | - | - | (950) | - |
| Net interest expense | (9,411) | (7,556) | (28,094) | (22,048) |
| Net other financial expense | (115) | (220) | (563) | (911) |
| **Net financial expense** | **(10,778)** | **(10,334)** | **(33,164)** | **(30,991)** |

## *Consolidated statement of cash flow*

| | 3Q | | 9M | |
|---|---|---|---|---|
| **Thousand of Euros** | **2016** | **2017** | **2016** | **2017** |
| **Opening cash and cash equivalents** | **34,744** | **29,023** | **61,944** | **54,703** |
| Cash flows generated by operating activities | 12,735 | 7,965 | 25,226 | 16,350 |
| Cash flows used in investing activities | (6,180) | (6,946) | (22,768) | (24,362) |
| Cash flows used in financing activities | (3,657) | (958) | (26,469) | (17,309) |
| **Net cash flows for the period** | **2,897** | **61** | **(24,011)** | **(25,321)** |
| Effect of exchange rate fluctuation on cash held | (675) | (261) | (967) | (558) |
| **Closing cash and cash equivalents** | **36,966** | **28,824** | **36,966** | **28,824** |