Press Release, 11 December 2013

A comprehensive solution to fund the Kaffa 2018 plan
Proposal for a capital increase
Introduction of a new governance structure

Regulated information

Braine-l'Alleud, 11 December 2013 at 2:00 pm,

After several months of negotiations, Fountain's board of directors and management are particularly pleased to be able to announce a set of measures that will help Fountain re-establish a healthy, sustainable cash flow and ensure funding for the plan to develop the company, "Kaffa 2018".

This comprehensive solution will give Fountain sufficient room for manoeuvre and the security it needs to give the management the opportunity to focus on implementing and following up the Plan.

Fountain would like to thank all of its banking partners as well as the team at PricewaterhouseCoopers (PWC), who have spared no effort in their commitment to finding an agreement that respects everybody's needs.

Kaffa 2018 Plan

During the last few months, the management, supported by PWC's team, has looked at all the different options for supporting the Plan Kaffa, both in terms of the financial and the operational model, while also using the benefit of 6 months' hindsight to look at the new commercial position and results, particularly in terms of signatures for new client contracts. This work has confirmed the objectives for future profitability and growth. These objectives will be used as the basis for the annual valuation of goodwill in accordance with IFRS standards, and may possibly lead to additional impairments on goodwill when in the financial statements as of 31 December 2013.

Bank funding

Negotiations between the banks ING Belgium SA, BNP Paribas Fortis SA, CBC Banque SA and KBC Commercial Finance SA and Fountain have resulted in the signature of an agreement in the form of a "Term Sheet", containing all the main points agreed by the company and its main bankers to fund the Kaffa development plan.

According to this agreement, ING, BNP Paribas Fortis and CBC banks have agreed to grant the Fountain Group funding for 7.7 million Euros over a period of five years, on top of the factoring agreements entered into by the company. These funds are reserved for Fountain's consolidation of its previous financial commitments to these banks, and are guaranteed by personal and real collateral from the group's companies, with securities and security authorisations for property, as well as shares, goodwill and factoring contracts. The repayments for this funding will be subject to amortization for the duration of the Kaffa 2018 Plan, starting on 31 March 2014. This funding is granted by an increase in capital or quasi-capital of a total of €3 million for 31 March 2014, see below, not paying any dividends until June 2016, and finalising the implementation of factoring contracts. Added to these commitments is an obligation for Fountain to comply with a maximum ratio of net financial debts to Ebitda and a minimum ratio of operating income to financial costs, defined every sixth months to take into account the business's seasonality and changes to parameters over time, in accordance with those outlined in the company's financial plan with a 15% margin. This funding will incur an interest rate of Euribor plus 3.25% in 2014 and 2015 and 2.5% from 2016 to 2018.

Capital increase

Furthermore, one of the key aspects of the refunding plan involves proposing a capital increase to shareholders.

The board of directors will call a general meeting in the very near future to decide on a capital increase for a total minimum amount of 3 million EUR. The timing for this capital increase will be announced soon, in accordance with the relevant legal obligations.

This capital increase will be organized in accordance with the existing shareholders' right of first refusal at the price of 2.00 EUR per new share. Each shareholder will therefore be able to buy shares in this capital increase in proportion to his current stake in the company's capital. Shareholders who do not want to take part in this capital increase will have the opportunity to sell their rights to the shares on the market during the subscription period. Rights not exercised by the end of the subscription period will be resold to institutional investors and any profits from this sale will be allocated to the shareholders who did not exercise their subscription rights.

The proceed from the capital increase will be used to guarantee an adequate working capital fund for the next few years, allowing us to reorganise the company's operational structure while also continuing to implement a new commercial dynamic based on winning new, larger clients.

QuaeroQ SCRL, one of the company's important long-standing shareholders, has confirmed its commitment to purchasing its share in this capital increase in accordance with the abovementioned terms, as well as to guarantee it for a maximum total of 3 million Euros including its own share.

QuaeroQ SCRL confirms its intention to buy 295,000 shares in Fountain from Syntegra Capital Fund I, LP, another longstanding shareholder, within the next few days, and at the latest by the extraordinary general meeting mentioned above, at the price of €2.00 per share. Following this transfer, QuaeroQ will own 495,036 shares in the company (so 29.81% of the capital, compared to 12.05% before) and Syntegra Capital Fund I, LP will own 205,844 shares (so 12.40% of the capital, compared to 30.16% before).

These two points clearly show that, as a new reference shareholder, QuaeroQ is convinced of the quality of the plan, and fully supports the company and its management in its efforts to revive business.

Governance

On 6 December 2013, the board accepted the resignation of Pierre Vermaut Mgt Co sprl, director and chair of the board, represented by Mr Pierre Vermaut, and ICML s.a., director and general secretary, represented by Mr Alain Englebert.

The board would like to thank Mr Vermaut and Mr Englebert for the contributions they made in their respective positions, as well as for the active part they have played in looking for funding solutions over the last few months.

Mr Vermaut and Mr Englebert will continue to play a supporting role as consultants through the companies that they represent until the general meeting on 27 May 2014.

Mr Philip Percival and Mr Philippe Sevin, directors representing the shareholder Syntegra Capital Fund I, LP, have also resigned as company directors; their resignations came into effect on 18 November 2013. The Board would like to thank them for their contributions to the development of the Fountain Group.

Given the changes to the structure of the shareholding, the resignations of the directors mentioned above and the need for Fountain to be able to rely on a dynamic management team committed to long-term consistency, the board of directors has made the following decisions.

Beckers Consulting bvba, whose permanent representative is Mr Eugeen Beckers, has been co-opted by the board as a non-executive director and chair of the board of directors. Mr Beckers, the current chairman of Zenitel s.a.'s board of directors, has extensive international B2B experience, especially in France, a key market for Fountain.

Bluepack Consulting sprl, current CEO of Fountain, represented by Mr Paul Baeck, has also been co-opted by the board as managing director.

The appointment of these new directors complements the recent co-option last October of the company Have s.a., whose permanent representative is Mr Christian Van Besien, as a non-executive director. Mr Van Besien has extensive experience in the field of coffee, built up in his role as manager at Nestlé and Douwe Egberts/Sara Lee.

These co-options will be submitted to the next shareholders' meeting for confirmation.

In light of these appointments, the composition of the board of directors and its committees is outlined below:

- Board of Directors
    - Beckers Consulting bvba, represented by Mr Eugeen Beckers, non-executive director and chair
    - Have s.a., represented by Mr Christian Van Besien, non-executive director
    - OL2EF sprl, represented by Mrs Anne-Sophie Pijke, non-executive director
    - Philippe Vander Putten scs, represented by Mr Philippe Vander Putten, non-executive director
    - At Infinitum n.v., represented by Mr Dimitri Duffeleer, director
    - Bluepack Consulting sprl, represented by Mr Paul Baeck, managing director

  The role of secretary of the Board of Directors is filled by Mr Eric Dienst, CFO.

- Appointment and Remuneration Committee
    - Philippe Vander Putten scs, represented by Mr Philippe Vander Putten, non-executive director and chair
    - Beckers Consulting bvba, represented by Mr Eugène Beckers, non-executive director
    - At Infinitum n.v., represented by Mr Dimitri Duffeleer, director

- Audit Committee
    - OL2EF sprl, represented by Mrs Anne-Sophie Pijke, non-executive director and chair,
    - Beckers Consulting bvba, represented by Mr Eugène Beckers, non-executive director,
    - At Infinitum n.v., represented by Mr Dimitri Duffeleer, director,

Profile

The Fountain Group, mainly based in France, Belgium and the Netherlands, markets a range of cold and hot drink solutions aimed at business customers.

Information

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