Bondholder information pack

Quarter 3 2010

4 January 2011

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INTRODUCTION

In November 2010 R&R Ice Cream plc incorporated as a public limited company under the laws of England and issued €350.0 million aggregate principal amount of its 8.375% Senior Notes due 2017 (the "Notes"). The Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market.

The Notes and the guarantees thereof have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the ''U.S. Securities Act''). The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act and to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

This report is provided to the holders of the Notes pursuant to Section 4.15 of the indenture dated November 5, 2010 governing the Notes.

Forward-Looking Statements

This report contains "forward-looking statements" that reflect, when made, our expectations or beliefs concerning future events that involve risks and uncertainties. Forward-looking statements frequently are identified by the words "believe," "anticipate," "expect," "estimate," "intend," "project," "will be," "will continue," "will likely result" or other similar words and phrases. Similarly, statements herein that describe our objectives, plans or goals also are forward-looking statements. Actual results could differ materially from those projected, implied or anticipated by our forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement, and we undertake no obligation to revise or update this report to reflect events or circumstances after the date hereof.

Unless the context otherwise indicates, all references in this report to the "Company," "Group," "we," "us" or "our" collectively refer to R&R Ice Cream plc and its subsidiaries (including any of their respective predecessors), except where the context requires otherwise.

OPERATING AND FINANCIAL REVIEW

Overview

Overview

We are the third largest ice cream manufacturer in Europe, with leading market shares in each of the U.K., German and French ice cream markets. We are the largest private label ice cream manufacturer in Europe and we believe that our large scale and ability to develop new products make us a key supplier of private label ice cream to the major national retailers we serve. We serve most of the major retailers in each of our markets, including Tesco and Asda in the United Kingdom, Aldi and Edeka in Germany and Leader Price and Carrefour in France. We have a highly efficient manufacturing and operating structure, to which we have made significant capital improvements over a number of years, and as a result we believe that we are one of the lowest cost ice cream manufacturers in Europe.

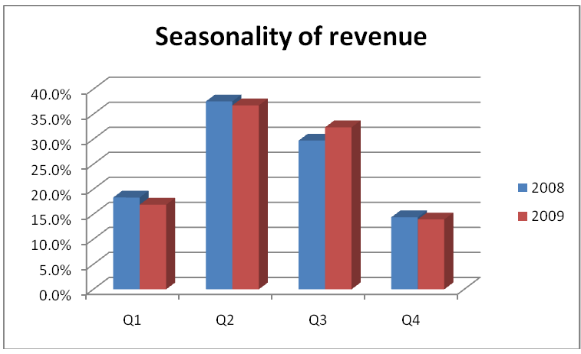
We primarily produce take-home ice cream products, including ice cream tubs and multi-packs of ice cream cones, ice lollies, ice cream sticks and ice cream desserts. We sell these products largely to national retailers as either branded or private label products. We also produce similar ice cream products for the impulse segment of the ice cream market, where the consumer buys an individual item on impulse for immediate consumption. We produce both private label and branded ice cream products. Private label products involve the manufacture of ice cream for offer under a retailer's own brand, and are generally sold at a lower price than branded products. Branded products bear a specific brand that is owned or licensed by the manufacturer and has value based on customer awareness of, and loyalty to, that particular brand.

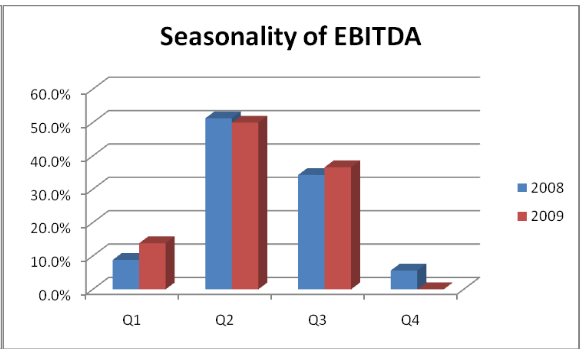
The results of Soparo have not been consolidated into the results of R&R Ice Cream plc for the reasons outlined in the 'Impact of the Soparo Acquisition' section, below. Consequently, unless explicitly stated otherwise, this operating and financial review refers only to the results of R&R Ice Cream plc and its subsidiaries ('the Group') as they existed at September 30, 2010.

Factors Affecting our Business

Various factors affect our operating results during each period, including:

Seasonality. Our business is seasonal, and a large percentage of our sales are generated in the second and third quarters each year, which often affects the comparability of our results between quarterly periods. EBITDA is even more seasonal, as illustrated in the charts below, as is Adjusted EBITDA, with a majority of our EBITDA and Adjusted EBITDA being generated in second and third quarters each year.





As a result of this seasonality, these accounts for the nine months ended September 30, 2010, are not directly comparable with full year accounts, but should give an indication of the anticipated sales and profitability for the full year. The table below shows summary revenue and Adjusted EBITDA for Q3 2010 and illustrative comparisons for 2009:

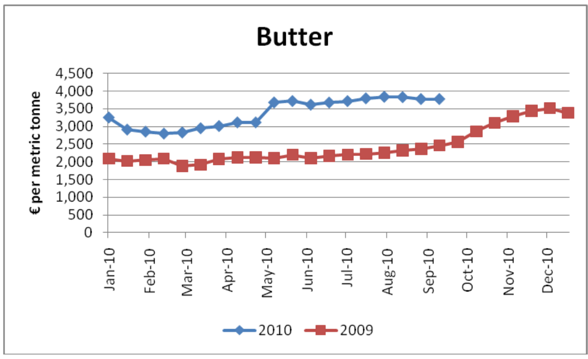
	Nine Months Ended September 30, 2010	**Nine Months Ended September 30, 2009**	**Twelve Months Ended December 31, 2009**
Average EUR:GBP exchange rate	1.1724	1.1356	1.1333
Revenue			
Consolidated result	340,585	358,383	416,602
YTD as % of full year		*86.0%*	
Adjusted EBITDA			
Consolidated result	60,376	75,540	75,428
YTD as % of full year		*100.1%*	

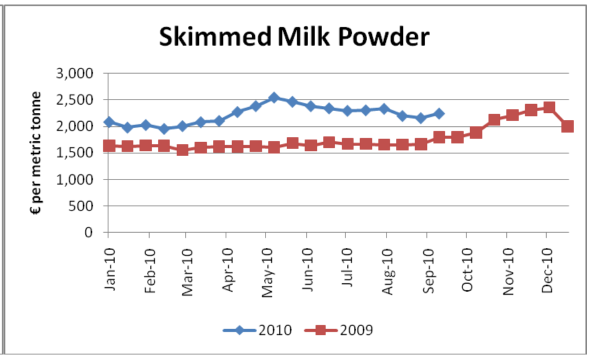
Source: management information

Changes in Prices of Raw Materials. Raw materials used as ingredients and for packaging account for a significant portion of our cost of sales and accounted for approximately 62% of our cost of sales in 2009. The principal raw materials we use to manufacture our products are cream, milk, whey protein, sugar, glucose, cocoa, butter, coconut oil and palm oil. Many of the raw materials we use in our manufacturing processes are commodities and are subject to significant price volatility.

We are able to hedge against many of our raw material costs. However, such hedges do not exist for dairy commodities, which account for approximately 10% of our overall cost of sales.

Dairy prices increased in 2010 as prices of butter increased from an average of approximately €2,150 per tonne in the nine months ended September 30, 2009 to an average of approximately €3,400 per tonne in the nine months ended September 30, 2010 and prices of skimmed milk powder increased from an average of approximately €1,650 per tonne in the nine months ended September 30, 2009 to an average of approximately €2,200 per tonne in the nine months ended September 30 2010, as shown in the charts below:





Source: USDA (for USD cost per metric tonne) and Bank of England (for USD:EUR exchange rates)

This has adversely affected our cost of sales and margin. The table below summarizes how our ingredient and other costs have impacted our year to date results year on year:

	Nine Months Ended September 30, 2010 €000	**Nine Months Ended September 30, 2009 €000**	**Nine Months Ended September 30, 2010 *% of CoS***	**Nine Months Ended September 30, 2009 *% of CoS***
Ingredients	97,599	95,737	*39.4%*	*38.2%*
Packaging	55,075	54,472	*22.2%*	*21.7%*
Total Cost of sales(1)	248,019	250,535	*100.0%*	*100.0%*
Gross margin(1)	*27.2%*	*30.1%*		

Note (1): excluding exceptional items

Source: management information

Our gross margin (excluding exceptional items) has declined by 2.9 percentage points year on year, principally as a result of these increased costs, the rest being competitive or market pressures on selling prices. Ingredients costs account for approximately 1.2 percentage points more of our costs of sales in the nine months ended September 30, 2010 than in the comparable period of 2009. Having closed our Haltern facility in 2009, we carried out the closure of our Struckhausen facility during the course of 2010, with a view to further reducing our ongoing production and administrative costs.

We also experienced a small increase in our packaging costs year on year. This increase would have been greater (as a result of increased costs of oil) but we decided to bring some of the UK packaging production in-house in 2009, mitigating some of the impact.

Weather Trends. Sales of ice cream are generally positively impacted by warm, sunny, dry weather and are negatively impacted by cool, overcast, rainy weather. Hours of sunshine, temperature and rainfall are the most important weather factors during the summer selling season. These factors for the UK, for example, for 2009 and 2010 are summarised in the table below.

UK averages	**Mean temp (°C)**	**Sunshine (hours)**	**Rainfall (mm)**
Summer 2009	14.8	529	323
Summer 2010	14.6	505	249
Spring 2009	8.6	510	222
Spring 2010	7.6	500	166

Source: www.metoffice.gov.uk

So although Spring/Summer 2010 was drier than Spring/Summer 2009, it was cooler and also experienced less sunshine. This had a detrimental impact on our revenues, particularly in the impulse side of our business.

Competition and Market Trends. The ice cream industry is highly competitive, and our products compete based on a variety of factors, including design, quality, price and customer service. Levels of competition and the ability of our competitors to more accurately address consumer tastes, predict trends and otherwise attract customers through competitive pricing or other factors impact our results of operations. Our competitors' ability to identify and encourage changes in consumer trends, as Unilever has with its Ben & Jerry's brand, may impact our decision regarding what types of ice cream to develop and sell.

Certain actions by our competitors may impact our operating results, such as changes in their pricing or marketing or levels of promotional sales, which may cause us to take certain actions that impact our profitability, such as reductions in our prices or increases in our marketing expenditures. Some of our competitors will from time to time reduce their prices significantly in order to enhance their brand recognition. The levels at which we are able to price our products are influenced by a variety of factors, including the quality of the product, cost of production for those products, prices at which our competitors are selling similar items, our willingness to sell at low margins and willingness of our customers to pay for higher priced items. These factors may limit our ability to respond to such price reductions. For example, in the United Kingdom, we are able to discount our prices from time to time, while in Germany we often have less discounts because the market place generally reflect "every day low prices" and there are generally less promotions as a result. We have also sought to enhance our competitive position by increasing our scale, diversifying our products and enhancing and acquiring brands and brand licenses.

Foreign Currency Exchange Rates. As a result of having operations in various countries, we generate a significant portion of our sales and incur a significant portion of our expenses in currencies other than the euro, including the British Pound and the Polish Zloty. During the nine months ended September 30, 2010 42% (nine months ended September 30, 2009: 42%) of our revenue was derived from subsidiaries whose functional currency is other than the euro, most notably the British Pound.

We present our consolidated financial statements in Euros. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than the euro into Euros at then-applicable exchange rates. Consequently, increases or decreases in the value of the euro may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger euro will reduce the reported results of operations of the non-euro businesses and conversely a weaker euro will increase the reported results of operations of the non-euro businesses. These translations could significantly affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and stockholders' equity.

A summary of the EUR:GBP exchange rates during the nine months ended September 30, 2009 and 2010 is shown below:

	Nine Months Ended September 30, 2010	**Nine Months Ended September 30, 2009**
Average for the period	1.1724	1.1356
Opening balance sheet rate	1.1255	1.0500
Closing balance sheet rate	1.1629	1.0998

Source: www.bankofengland.co.uk

Consequently the trading of our UK business has been translated at a slightly more favourable rate within the Group's consolidated income statement for the nine months ended September 30, 2010 than for the nine months ended September 30, 2009.

Acquisitions of Complementary Businesses. We plan to continue to evaluate acquisition opportunities to selectively acquire businesses that may improve our market share and product offerings, or allow us to enter new geographic markets. We have completed eight acquisitions since 1998. Following any acquisition, our results of operations will be impacted by the results of the newly acquired business, debt incurred to acquire the business and expenditures made to integrate the newly acquired business into our company. In general, when looking to integrate and improve a newly acquired business, we look to several main areas: (i) reviewing current prices and product engineering or changing recipes to achieve acceptable margins on products sold; (ii) researching ways to enhance our purchasing to benefit from economies of scale; (iii) reducing duplicated overhead; (iv) moving production to the most efficient locations, subject to geography and logistics; (v) sharing knowledge and experience; (vi) creating synergies with and benefits to the existing businesses; and (vii) improving management of working capital. Many of these integration measures will require expenditures by us.

We have commenced integration of Rolland's French ice cream business into our Group in the same manner as we did with Roncadin and our other recent acquisitions. The Rolland integration will include further evaluation of Rolland's product lines, business practices, overhead costs and manufacturing structure to maximise efficiencies and synergies with our company. Refer also to the 'Impact of the Soparo Acquisition' section, below.

Retailer Customer and Consumer Preferences. Our revenues are also impacted by our ability to continue to produce ice cream that is desired by our retailer customers. Retailer customers purchase our private label ice cream primarily based on price, quality, the location of our facilities, our ability to deliver our products on a timely basis and our ability to manufacture various types of ice cream in large volumes. Our ability to meet these demands impacts our ability to sell to new and existing private label customers. In addition, our ability to effectively sell our branded products to our customers is driven by consumer demand for our products, as a result of, among other things, our marketing campaigns and the taste and quality of our products.

Components of Revenue and Expenses

Revenue

We generate revenue from the sale of ice cream and related products.

We generate sales under contracts with retailers, and by individual orders through sales personnel and independent brokers. In the United Kingdom, we generally enter into purchase orders or other contracts for sale that have a rolling thirteen week term. In Germany and France we generally enter into longer-term contracts, typically for twelve months. In many cases, subject to certain exceptions, these contracts have fixed prices for products but do not provide for specific volumes to be purchased. Rather, the terms in the contracts govern individual purchase orders to be delivered to us as required by the retailer. In our contracts for sale of goods in Germany, certain of our prices for our goods vary based on our costs of raw materials, allowing us to pass some of our increased costs through to consumers.

Revenues include sales of products less allowances, trade discounts and volume rebates. Revenue from sales of products is recognised when the significant risks of ownership have been transferred to the buyer (which is when the goods are dispatched). Our relationships with our retailer customers do not include a right of return for unsold merchandise.

During the nine months ended September 30, 2010, our ten largest customers, by revenue, represented approximately 64% (nine months ended September 30, 2009: 61%) of our sales. No customer accounted for more than 15% of our total sales during these periods.

The Group has also adopted IFRS 8 Operating Segments for the first time in these results for the nine months ended September 30, 2010, and thus we have included a footnote in our financial statements that show our turnover and Adjusted EBITDA on a segment basis. Since issuance of the Notes, we are required to adopt this standard given that our debt instruments are now traded in a public market. The geographical territories in which we operate form the basis of identifying the segments to be reported. As such, we have reported three segments: UK, German/Poland and France, and each segment consists of our operations managed in the applicable countries comprising that segment. Elimination in intra group reporting refers to the elimination of inter-segment sales (for example, sales between our UK and German operations) eliminated at consolidated level.

Expenses

Our operating expenses primarily consist of:

- cost of sales;
- distribution expenses;
- administrative expenses; and
- finance expenses.

Of the foregoing, cost of sales, distribution expenses and administrative costs are our primary operating expenses, accounting collectively for 92% of our operating expenses during the nine months ended September 30, 2010 (nine months ended September 30, 2009: 91%). Each component of our operating expenses is described in further detail below.

Cost of Sales. Cost of sales comprise the costs of products that we sell. Cost of sales includes directly attributable costs such as material, labour, energy, product-specific research and development, maintenance and consumables. Our costs of sales are primarily variable in nature based on the amount of products we are selling at a given time. Cost of sales accounted for approximately 76% of our revenues for the nine months ended September 30, 2010 (nine months ended September 30, 2009: 75%).

Our raw material costs are the primary driver of our cost of sales, accounting for approximately 61% of our cost of sales for the nine months ended September 30, 2010 (nine months ended September 30, 2009: 60%). Personnel expenses, which are salaries and wages paid to our officers and employees, also significantly impact our cost of sales, accounting for approximately 11% of our cost of sales for the nine months ended September 30, 2010 (nine months ended September 30, 2009: 11%). Our raw material costs and personnel expenses are expected to continue to be key components of our operating expenses.

Distribution Expenses. Distribution expenses represent the costs associated with the storage and shipping of our products. These costs include freight, storage and other related distribution costs.

Administrative Expenses. Administrative expenses represent overhead costs associated with support functions, such as finance, human resources, IT, professional fees (legal and accounting) and senior management, and also include costs relating to impairment and amortisation of intangibles.

Typically, costs of these support functions are salaries and benefits, systems costs, insurance and professional services. Administrative costs are relatively fixed in nature and were approximately 10% of our sales for the nine months ended September 30, 2010 (nine months ended September 30, 2009: 9%).

Finance Expenses. Finance expense consists primarily of cash interest expense on financial debt, interest rate derivative instruments, capital lease and other financing obligations in addition to non-cash interest on loans from our shareholders.

Income Tax Expenses. Our income tax provision includes U.K. and foreign income taxes and is based on pre-tax income or loss. The effective rate is higher than the income tax rate in our countries of operation because of the non-deductibility of interest expense on some of our existing related party debt, and also .

EBITDA and Adjusted EBITDA. We define EBITDA as profit/(loss) for the period before income tax (credit)/ charge, net finance expenses and depreciation and amortisation. Adjusted EBITDA is calculated by excluding the impact of the exceptional items described in footnote 1 of our unaudited financial statements included in this report and OCM management fees. See footnote 7 to our unaudited financial statements included in this report for a reconciliation from profit for the period to EBITDA and Adjusted EBITDA.

Results of Operations

Nine Months Ended September 30, 2010 Compared to the Nine Months Ended September 30, 2009

The table below presents consolidated statement of income data, including the amount and percentage changes for the periods indicated:

(in thousands of euros)	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009	Favourable /(adverse) change	% change	% change excl. FX
Revenue	340,585	358,383	(17,798)	(5.0%)	(6.3%)
Cost of sales	(251,151)	(250,535)	(616)	(0.2%)	1.0%
Gross profit	89,434	107,848	(18,414)	(17.1%)	(18.5%)
Distribution expenses	(22,510)	(22,961)	451	2.0%	3.6%
Administrative expenses	(32,427)	(30,511)	(1,916)	(6.3%)	(4.9%)
Results from operating activities	34,497	54,376	(19,879)	(36.6%)	(37.9%)
Finance income	928	1,516	(588)	(38.8%)	(38.9%)
Finance expenses	(24,815)	(30,139)	5,324	17.7%	18.1%
Profit before income tax	10,610	25,753	(15,143)	(58.8%)	(61.1%)
Income tax charge	(5,754)	(8,235)	2,481	30.1%	46.9%
Profit for the period	4,856	17,518	(12,662)	(72.3%)	(67.8%)
Other Financial Information:					
Adjusted EBITDA	60,376	75,540	(15,164)	(20.1%)	(21.4%)

Note: the "% change excl FX" has been calculated by retranslating the UK actual results for the nine months ended September 30, 2010, from the average GBP:EUR exchange rate prevailing for the nine months ended September 30, 2010 to the average GBP:EUR exchange rate prevailing for the nine months ended September 30, 2009, and comparing this retranslated result to the reported result for the nine months ended September 30, 2009.

Revenue

On a consolidated basis, revenue decreased €17.8 million or 5.0% to €340.6 million for the nine months ended September 30, 2010 as compared to €358.4 million for the nine months ended September 30, 2009. Excluding FX, our revenue decreased €22.5 million, or 6.3%. This decrease was attributable to lower sales volumes in the United Kingdom and continental Europe largely due to unfavourable early seasonal weather in particular in our continental European markets, lower average selling prices due to our sale of a larger proportion of our products on promotion and a disappointing August which is usually a key sales month for us. To give an example of this, the German ice cream market as a whole experienced a 35% reduction in sales for the month compared to 2009.

The decline in average selling prices during the nine months ended September 30, 2010 was driven by our sale of a larger amount of our products on promotion, coupled with continued overall price deflation for ice cream products in the German market, which is a trend that has continued for the last two years following price rises in 2008 as significant raw material price increases in 2007 were passed on to customers.

By geographical segment:

- on the management accounts basis (ie as disclosed in note 2), our UK revenues decreased €12.6 million or 8.0% to €145.4 million for the nine months ended September 30, 2010 as compared to €158.0 million for the nine months ended September 30, 2009. This is principally attributable to lower volumes which were down 7.9% for the period, caused by the weather and more aggressive promotional behaviour by our competitors.

- Germany/Poland revenues decreased €9.0 million or 4.8% to €179.0 million for the nine months ended September 30, 2010 as compared to €188.0 million for the nine months ended September 30, 2009.

This is principally attributable to a lower average selling price as a result of selling a relatively higher amount of product on promotion (volumes are largely in line with the prior year) following competitor and customer pricing pressures.

- France revenues decreased €2.1 million or 5.7% to €34.8 million for the nine months ended September 30, 2010 as compared to €36.9 million for the nine months ended September 30, 2009. Again, this decline is principally due to pricing pressures from customers.

Cost of Sales

Cost of sales increased €0.6 million or 0.2% to €251.2 million for the nine months ended September 30, 2010 as compared to €250.5 million for the nine months ended September 30, 2009. Excluding FX, our cost of sales decreased €2.5 million, or 1.0%. This decrease was primarily attributable to lower sales volumes. However, raw material costs also increased during the nine months ended September 30, 2010 partially offsetting the effect of the savings as a result of reduced volumes. These increases in raw materials costs in the first nine months of 2010 primarily consisted of increased dairy costs, which we are unable to hedge as explained above. We were particularly affected in Germany where our products use a higher proportion of dairy ingredients than the United Kingdom.

The other main factor influencing why the volume shortfall did not all translate into favourable cost of sales variances is the inclusion of €3.1m of exceptional costs in the nine months ended September 30, 2010 relating to the closure of our Struckhausen factory.

Accordingly, our gross margin declined from 30.1% in the nine months ended September 30, 2009 to 26.3% in the nine months ended September 30, 2010.

Distribution Expenses

Distribution expenses decreased €0.5 million or 2.0% to €22.5 million for the nine months ended September 30, 2010 as compared to €23.0 million for the nine months ended September 30, 2009. Excluding FX, our distribution expenses decreased €0.8 million, or 3.6%. This decrease was primarily attributable to lower sales volume in the nine months ended September 30, 2010.

Administrative Expenses

Administrative expenses increased €1.9 million or 6.3% to €32.4 million for the nine months ended September 30, 2010 as compared to €30.5 million for the nine months ended September 30, 2009. Excluding FX, our administrative expenses increased €1.5 million, or 4.9%, the key reason for the increase being the €2.5 million exceptional expense relating to the impairment of one of our buildings.

Finance Expenses

Finance expenses decreased €5.3 million or 17.7% to €24.8 million for the nine months ended September 30, 2010 as compared to €30.1 million for the nine months ended September 30, 2009. Excluding FX, our finance expenses decreased €5.5 million, or 18.1%. This decrease was principally attributable to repayments of third party and shareholder debt in January 2010 amounting to €40.4 million.

Income Tax Charge

Income tax charge decreased €2.5 million or 30.1% to €5.8 million for the nine months ended September 30, 2010 as compared to €8.2 million for the nine months ended September 30, 2009. Excluding FX, our income tax charge decreased €3.9 million, or 46.9%. This decrease was due to lower operating profit in the year, the majority of which was attributable to the reduced trading.

The effective tax rate in 2010 was 54% compared to 32% in 2009; the nine months ended September 30, 2009 benefited from an agreement with HMRC on more favourable terms than we had previously assumed in our deferred tax provision in the UK resulting in a cumulative adjustment, whilst the nine months ended September 30, 2010 suffered due to the forfeiture of certain trading losses in Germany which are no longer available to offset against future trading profits.

Adjusted EBITDA

Adjusted EBITDA decreased €15.2 million or 20.1% to €60.4 million for the nine months ended September 30, 2010 as compared to €75.5 million for the nine months ended September 30, 2009. Excluding FX, our Adjusted EBITDA decreased €16.2 million, or 21.4%. This decrease resulted primarily from lower sales volumes due to unfavourable early summer and August weather, a decrease in prices due to our sale of a greater proportion of our products on promotion and increases in raw material costs. We were not able to immediately increase selling prices in response to the increased dairy costs because many of our customer contracts contain prices that are fixed for specified terms. As a result, we are exposed to pricing fluctuations because of the delay before we are able to pass raw material price increases on to our customers.

Adjusted EBITDA has declined in each territory, both absolutely and relatively, as we would expect given the revenue declines in each territory.

Cash Flows

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

The following summarises our primary sources of cash in the periods presented (in thousands):

(in thousands of euros)	**Nine Months Ended September 30, 2010**	**Nine Months Ended September 30, 2009**	**Increase/ (Decrease) to Net Cash Flow Amount**
Cash generated from/(used in):			
Operating activities	31,572	50,957	(19,385)
Investing activities	(13,771)	(13,846)	75
Financing activities	(51,166)	(10,123)	(41,043)
Total	**(33,365)**	**26,988**	**(60,353)**

Operating Activities

Cash generated from operating activities decreased €19.4 million or 38.0% to €31.6 million for the nine months ended September 30, 2010 as compared to €60.0 million for the nine months ended September 30, 2009. Our cash from operating activities is generally negative during the first five months of each year as we purchase materials to produce products for our summer selling season and positive for the next six months as we reap the rewards of our spring and summer sales. The key reason for the decrease was the decline in EBITDA in the nine months ended September 30, 2010, as compared to the nine months ended September 30, 2009.

Investing Activities

Cash used in investing activities remained flat at €13.8 million for the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. Investment in our asset base has remained fairly constant from 2009 to 2010.

Financing Activities

Cash used in financing activities increased €41.0 million or 40.5% to €51.2 million for the nine months ended September 30, 2010 as compared to €10.1 million for the nine months ended September 30, 2009. The decrease is principally attributable to repayments of bank debt and related party debt in January 2010 amounting to €40.4 million.

Impact of the Soparo Acquisition

Overview of the Acquisition

On June 25, 2010, our affiliate (by virtue of common control by Oaktree), R&R Rolland France SAS, acquired Soparo SAS, holding company of the Rolland ice cream business based in France, and its subsidiaries ('the Soparo Group'). Concurrently with the issue of the Notes and the new €60 million Revolving Credit Facility (together, 'the Refinancing') completed on November 5, 2010, a restructuring to accommodate R&R Rolland France SAS and its subsidiaries (together 'the R&R Rolland France SAS Group') within the Group was completed.

Rolland has a strong heritage in the French ice cream market and has built its ice cream manufacturing strategy on differentiation, quality and innovation. Rolland currently has two production sites: Plouédern in Brittany, which produces sticks, tubs, cones, and desserts, and Dangé-Saint-Romain in the Poitou Charente region of France, which produces bars, speciality cones and speciality desserts. Rolland currently produces over 64 million litres of ice-cream under distributors' own brands, licenses and private brands. It serves many of the key European retailers and sells its products in various European nations, the United States and Japan, but its core business remains the French private label market. Together with Rolland we would have been the third largest ice cream manufacturer in France based on 2009 sales and the largest manufacturer of private label ice cream in France, and we believe this acquisition will allow us to benefit from additional economies of scale relating to our purchasing of raw materials and provides us with additional marketing strength when selling our products to retailers.

Effects on Our Financial Statements

Consolidation of Soparo. The share capital of Soparo SAS "Soparo" was acquired by one of the Group's affiliates on November 5, 2010 and as a result Soparo did not become a subsidiary of the Group until after September 30, the date of the financial information accompanying this Operating and Financial Review. As a result, the Group's financial information as of September 30, 2010 does not consolidate Soparo's information. At December 31, 2010 (the end of the first quarter following acquisition), Soparo will be consolidated into the Group's accounts assuming an acquisition date of June 25, 2010 (the date common control was established), in accordance with applicable accounting guidance. In future periods, the Issuer's financial results will be consolidated with Soparo's, and will be impacted by Soparo's revenues and expenses.

We have provided separate consolidated information for the Group and for Soparo. We have not included pro forma financial information comprising the Group and Soparo and pro forma adjustments because Soparo was not acquired by the Group until November 5, 2010 (ie after the date of this quarterly financial information) and so such data would not be meaningful. In future quarters, Soparo will be consolidated into the Group given it was acquired by the Group on November 5, 2010.

For an illustration of the anticipated transactions necessary to effect the consolidation of the Soparo Group into the Group, refer to the 'Soparo Acquisition' pro forma adjustments data shown on page 38 of the Offer Memorandum. These transactions will be included in the year ended December 31, 2010 accounts of the Group.

Acquisition Accounting. As a result of the Soparo acquisition, our financial statements in the future will vary in important respects from the historical condensed consolidated financial statements contained in this report. We will account for the acquisition of Soparo using the acquisition method of accounting. As a result, the purchase price for 100% of the share capital of Soparo of approximately €40.0 million, will be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values as of the date of the acquisition.

The excess of the purchase price over these allocations will be assigned to goodwill, which is not amortised for accounting purposes but is subject to testing for impairment at least annually. The allocation of the purchase price of the assets acquired in the acquisition may result in an increase in amortisation and depreciation expense relating to our acquired intangible assets and manufacturing assets because we will record the fair value of the acquired intangible assets and adjust the book value of the acquired manufacturing assets to fair value. We will evaluate the remaining depreciable lives of the manufacturing assets to reflect the estimated useful lives for purposes of calculating periodic depreciation, and we will amortise the intangible assets over their estimated useful lives. We will also review the value of the inventory and will adjust it to fair value, which may change the costs and expenses recognised by us upon the sale of this acquired inventory.

Rolland trading. As shown in the condensed consolidated interim financial information for Soparo SAS and its subsidiaries, consolidated revenues at Soparo SAS decreased by €8.7m or 9.7% to €81.3 million for the nine months ended September 30, 2010 as compared to €90.0 million for the nine months ended September 30, 2009. This is largely as a result of poorer weather experienced in 2010 compared to 2009 and the loss of a relatively small amount of business through a more competitive environment.

Gross profit margins fell slightly from around 19.5% to 18.9%, principally as a result of market pressure on sales prices and increasing input costs similar to those discussed above although not of the same magnitude. Despite the fall in revenue, distribution costs increased 10%, principally as a result of higher utilisation level of more expensive external warehousing facilities (storage costs) to accommodate higher stocking levels. This was largely of a deliberate policy of carrying higher stock levels to improve on customer service levels but also from the disappointing weather patterns. Administrative expenses decreased by 2% for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2011. The factors above resulted in a decrease in EBITDA to €7.1m in the nine months to September 30, 2010 (nine months ended September 30, 2009: €9.8m) although none of the benefits of synergies were prevalent in this period.

Subsequent events

The Refinancing

The Refinancing. On November 5, 2010, R&R Ice Cream plc was refinanced through the issue of €350m Senior Secured Notes due 2017 and a €60 million revolving credit facility. Substantially all of the assets of Soparo SAS and its subsidiaries guarantee the obligations of R&R Ice Cream plc under the Notes and the revolving credit facility on a senior secured basis. We used the net proceeds of this offering of Notes: (i) to repay all of the outstanding borrowings under a bridge loan we incurred in connection with the Soparo acquisition, to repay all the outstanding borrowings under our existing credit facilities and terminate the related commitments thereunder and hedging arrangements related thereto, (iii) to repay an amount of a new subordinated shareholder funding instrument necessary to allow an affiliate of ours to repay an affiliate loan, (iv) to distribute an amount necessary to allow an indirect parent of ours to repay obligations in respect of its preferred equity certificates and (v) to pay associated fees and expenses. We also issued a new €301.9 million subordinated shareholder funding instrument to one of our parent companies shortly before the Refinancing (25 October 2010), €41.3 million of which was repaid as part of the Refinancing.

R&R Ice Cream plc
(formerly R&R Ice Cream Limited)
Registered No. 05777981

Condensed consolidated interim financial information (unaudited) for the nine months ended 30 September 2010

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Condensed consolidated income statement

For the nine months ended 30 September 2010

In thousands of Euros

	Note	Before exceptional items, amortisation and non-cash interest	Exceptional items, amortisation and non-cash interest[(a)]	**Nine months ended 30 September 2010 Total**	Before exceptional items, amortisation and non-cash interest (as restated)	Exceptional items, amortisation and non-cash interest[(a)]	**Nine months ended 30 September 2009 Total**
Revenue	2	340,585	-	**340,585**	358,383	-	**358,383**
Cost of sales		(248,019)	(3,132)	**(251,151)**	(250,535)	-	**250,535**
Gross profit		**92,566**	**(3,132)**	**89,434**	**107,848**	**-**	**107,848**
Distribution expenses		(22,510)	-	**(22,510)**	(22,961)	-	**(22,961)**
Administrative expenses		(22,267)	(10,660)	**(32,427)**	(21,457)	(9,054)	**(30,511)**
Results from operating activities		47,789	(13,292)	**34,497**	63,430	(9,054)	**54,376**
Finance income		508	420	**928**	1,516	-	**1,516**
Finance expenses		(7,628)	(17,187)	**(24,815)**	(9,468)	(20,671)	**(30,139)**
Net finance costs		(7,120)	(16,767)	**(23,887)**	(7,952)	(20,671)	**(28,623)**
Profit before income tax		40,669	(30,059)	**10,610**	55,478	(29,725)	**25,753**
Income tax charge	3			**(5,754)**			**(8,235)**
Profit from continuing operations				**4,856**			**17,518**
Attributable to:							
Equity holders of the Company				**4,856**			**17,111**
Non-controlling interests				**-**			**407**
Profit for the period				**4,856**			**17,518**

Note (a): in order to aid understanding of the financial results, the Directors have presented additional analysis prior to the effect of exceptional items, amortisation of intangible assets and non-cash interest income/(charges). These items are analysed in detail in note 1.

Note (b): Certain costs have been reallocated between cost of sales, distribution and administrative expenses. In the prior period, this has resulted in a reduction to gross margin and overheads (comprising Distribution expenses and Administrative expenses) equally such that operating profit and EBITDA are unaffected.

The notes on pages 8 to 17 are an integral part of this condensed consolidated interim financial information.

All operations are continuing.

Condensed consolidated statement of comprehensive income

For the nine months ended 30 September 2010

In thousands of Euros

	Nine months ended 30 September 2010	Nine months ended 30 September 2009
Profit for the period	**4,856**	17,518
Other comprehensive income		
Exchange differences on retranslation of foreign operations	**4,639**	4,934
Total comprehensive income for the period	**9,495**	22,452

Condensed consolidated statement of changes in equity

For the nine months ended 30 September 2010
In thousands of Euros

	Share capital	Currency translation	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 1 January 2010	50,886	(32,064)	(71,848)	**(53,026)**	1,462	(51,564)
Comprehensive income for the period						
Profit for the period	-	-	4,856	**4,856**	-	4,856
Exchange difference on retranslation of foreign operations	-	4,639	-	**4,639**	-	4,639
Total comprehensive income for the period	**-**	4,639	4,856	**9,495**	-	9,495
Acquisition of non-controlling interest in controlled subsidiary	-	-	(1,878)	**(1,878)**	(1,462)	(3,340)
Balance at 30 September 2010	**50,886**	**(27,425)**	**(68,870)**	**(45,409)**	**-**	**(45,409)**

For the nine months ended 30 September 2009
In thousands of Euros

	Share capital	Currency translation	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 1 January 2009	50,886	(40,792)	(77,210)	**(67,116)**	1,208	(65,908)
Comprehensive income for the period						
Profit for the period	-		17,111	**17,111**	407	17,518
Exchange difference on retranslation of foreign operations	-	4,934	-	**4,934**	-	4,934
Total comprehensive income for the period	-	4,934	17,111	**20,779**	407	22,452
Balance at 30 September 2009	**50,886**	**(35,858)**	**(60,099)**	**(45,071)**	**1,615**	**(43,456)**

Condensed consolidated statement of financial position

As at 30 September 2010

In thousands of Euros

Assets	Note	30 September 2010	30 September 2009	31 December 2009
Non-current assets				
Property, plant and equipment		**111,879**	114,178	115,736
Intangible assets		**241,148**	240,734	242,590
Deferred tax assets		**7,004**	11,138	12,806
Total non-current assets		**360,031**	366,050	371,132
Current assets				
Inventories		**56,652**	50,626	41,109
Current tax assets		**497**	1,046	911
Trade and other receivables		**61,732**	84,595	40,168
Cash and cash equivalents		**21,568**	43,400	53,823
		140,449	179,667	136,011
Assets classified as held for sale		**757**	-	-
Total current assets		**141,206**	179,667	136,011
Total assets		**501,237**	545,717	507,143
Equity and liabilities				
Equity				
Equity share capital	*4*	**50,886**	50,886	50,886
Currency translation reserve	*4*	**(27,425)**	(35,858)	(32,064)
Accumulated loss	*4*	**(68,870)**	(60,099)	(71,848)
Non-controlling interests	*4*	**-**	1,615	1,462
Total equity	*4*	**(45,409)**	(43,456)	(51,564)
Non-current liabilities				
Financial liabilities	*5*	**435,837**	460,617	468,262
Deferred tax liabilities		**29,321**	29,721	31,127
Total non-current liabilities		**465,158**	490,338	499,389
Current liabilities				
Financial liabilities	*5*	**10,579**	9,542	9,767
Trade and other payables		**62,840**	78,962	43,984
Current tax liabilities		**6,164**	9,863	4,961
Provisions	*6*	**1,905**	468	606
Total current liabilities		**81,488**	98,835	59,318
Total liabilities		**546,646**	589,173	558,707
Total equity and liabilities		**501,237**	545,717	507,143

These financial statements were approved by the Board of Directors on 4 January 2011 and were signed on its behalf by:

Director Hlambert

Condensed consolidated statement of cash flows

For the nine months ended 30 September 2010

In thousands of Euros

	Note	Nine months ended 30 September 2010	Nine months ended 30 September 2009
Cash flows from operating activities			
Operating cash flow before changes in working capital and provisions	*7*	**56,644**	75,165
Increase in inventories		**(14,905)**	(5,353)
Increase in trade and other receivables		**(21,050)**	(41,507)
Increase in trade and other payables		**18,719**	33,496
Increase / (decrease) in provisions	*6*	**1,299**	(722)
Cash generated from operations		**40,707**	61,079
Interest paid		**(8,361)**	(8,197)
Income tax paid		**(774)**	(1,925)
Net cash from operating activities		**31,572**	50,957
Cash flows from investing activities			
Interest received		**200**	150
Proceeds from sale of property, plant and equipment		**43**	365
Acquisition of property, plant and equipment		**(10,559)**	(13,918)
Acquisition of intangible assets		**(115)**	(443)
Acquisition of non-controlling interests		**(3,340)**	-
Net cash used in investing activities		**(13,771)**	(13,846)
Cash flows from financing activities			
Repayment of loan from related party	*5*	**(28,294)**	-
Repayment of borrowings	*5*	**(21,890)**	(7,593)
		(50,184)	(7,593)
Loan to related party		**-**	(708)
Repayment of finance lease liabilities		**(982)**	(1,822)
Net cash outflow from financing activities		**(51,166)**	(10,123)
Net (decrease)/increasein cash and cash equivalents		**(33,365)**	26,988
Cash and cash equivalents at 1 January		**53,823**	16,345
Effect of exchange rate fluctuations on cash held		**1,110**	67
Cash and cash equivalents at 30 September		**21,568**	43,400

The notes on pages 8 to 17 are an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information

Basis of preparation

This condensed consolidated interim financial information presents the consolidated financial records for the nine months ended 30 September 2010 of R&R Ice Cream plc and its subsidiaries, together the ‘‘Group’’.

The condensed consolidated interim financial information for the nine months ended 30 September 2010 has been prepared in accordance with the International Accounting Standard (“IAS”) 34 ‘Interim financial reporting’ as adopted by the European Union.

The condensed consolidated interim financial information for the nine months ended 30 September 2010 does not constitute statutory financial statements under the definition of Section 434 of Part 15, chapter 7 of the Companies Act 2006, and does not include all of the information and disclosures required for full annual financial statements. It should be read in conjunction with the consolidated report and financial statement for the group for the year ended 31 December 2009.

The condensed consolidated interim financial information has not been audited.

The comparative figures for the financial year ended 31 December 2009 are not the Company’s statutory accounts for that financial year. Those accounts have been reported on by the Company’s auditors and delivered to the registrar of companies. The auditor’s report on those financial statements was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Following a review of the Group's accounting policy with respect to the presentation of certain costs within the Condensed consolidated income statement, a decision has been taken to re-present certain costs for consistency of treatment across the Group. This has affected the disclosure of expenses between cost of sales, distribution expenses and administrative expenses. The disclosure in the prior period has also been adjusted accordingly. The reallocation of expenses in the prior period has resulted in a reduction to gross margin and overheads (comprising Distribution expenses and Administrative expenses) equally such that operating profit and EBITDA are unaffected. This adjustment has no impact on current period reserves or prior period reserves.

Going concern

At 30 September 2010, the Group had consolidated net liabilities of €45.4 million (30 September 2009: €43.5 million). The Directors have considered this position, together with the Group’s budgets, notwithstanding the profit for the nine months ended 30 September 2010, and after making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the Group’s going concern basis for the preparation of the condensed consolidated interim financial information.

Seasonality

This condensed interim financial information was approved for issue on 4th January 2011. Except as described below, the basis of preparation and accounting policies applied in this condensed consolidated interim financial information for the nine months ended 30 September 2010 is consistent with those of the annual financial information for the year ended 31 December 2009, as described in that annual financial information.

For the purposes of this condensed consolidated interim financial information, it should be noted that the Group’s sales are subject to significant monthly fluctuations as a result of the seasonal weather patterns experienced in our core geographical markets. As a result of these seasonal fluctuations, the Group has historically made the majority of its revenue and profits in the second and third quarters of the year and this trend is expected to continue in this, and future, years. The balances of inventories, trade debtors and trade creditors at September 30 each year are also higher than at the financial year end as a result of these seasonal fluctuations.

Notes to the condensed consolidated interim financial information *(continued)*

Adoption of new standards in the period

Business combinations

The Group has adopted the revised versions of IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements with effect from 1 January 2010. The standards apply prospectively to all business combinations executed from that date. Business combinations executed prior to that date, and the resolution of related issues, are dealt with under the preceding version of the standards as previously applied by the Group.

The revised standards introduce changes in a number of areas, including the requirement to recognise changes in contingent consideration in the income statement rather than as an adjustment to goodwill; the requirement to recognise contingent liabilities at fair value; and the requirement to expense acquisition costs as incurred rather than treating them as part of the cost of acquisition.

Operating Segments

The Group has adopted IFRS 8 Operating Segments for the first time in these results for the nine months ended 30 September 2010. In accordance with the provisions of IFRS 8 Operating Segments, the operating segments used to present segment information were identified on the basis of internal reports used by the Management Board of the Group to allocate resources to the segments and assess their performance. The Management Board of the Group is the Group's "chief operating decision maker" within the meaning of IFRS 8. The geographical territories in which we operate form the basis of identifying the segments to be reported. The implementation has resulted in additional disclosures in the notes (see note 2).

Material accounting policies

Foreign currency

The functional currency of each group company is the currency of the primary economic environment in which the group company operates. The financial information is presented in Euros which is the functional and presentational currency of the Group.

Transactions denominated in foreign currencies are translated into the functional currency of each group company at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rate of exchange ruling at the balance sheet date.

Foreign exchange gains and losses arising on the settlement of such transactions and translation of monetary assets and liabilities are recognised in the income statement.

On consolidation, the financial statements of subsidiaries with a functional currency other than Euro are translated into Euros as follows:

- The assets and liabilities in their balance sheets plus any goodwill are translated at the rate of exchange ruling at the balance sheet date.
- The income statements and cash flow statements are translated at the average rate of exchange for the period.
- Currency translation movements arising on the translation of the net investments in foreign subsidiaries are recognised in the translation reserve, which is a separate component of equity.

Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer (which is when the goods are despatched), recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised 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 jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using the prevailing tax rates. The deferred tax balance has not been discounted.

Current tax is the expected tax payable on the taxable income for the period, using prevailing tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Accounting for business combinations

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees (acquiree’s awards) and relate to past services, then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market based value of the replacement awards compared with the market-based value of the acquiree’s awards and the extent to which the replacement awards relate to past and/or future service.

Non-current assets held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies.

Inventories

Inventories are stated at the lower of cost and net realisable value. Work in progress comprises direct materials, labour costs, site overheads and other attributable overheads.

Trade and other receivables

Trade and other receivables are held at cost less any impairment in realisable value.

Bank and other borrowing

Interest bearing borrowings, bank and other borrowings are carried at amortised cost. Finance charges, including issue costs are charged to the income statement using an effective interest rate method.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value.

Non-IFRS measures

Exceptional items

The Group presents as exceptional items on the face of the income statement, those material items of income or expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation. This allows users of the accounts to better understand the elements of financial performance in the period, so as to better assess trends in financial performance.

EBITDA and Adjusted EBITDA

Management uses EBITDA and Adjusted EBITDA to monitor the ongoing performance of the Group. We define EBITDA as earnings before interest charges, taxation, depreciation and amortisation. Adjusted EBITDA also excludes any other exceptional items and OCM management charges.

1. Exceptional items, amortisation and non-cash interest

In thousands of Euros	Nine months ended 30 September 2010	Nine months ended 30 September 2009
Exceptional items		
- Cessation of business with French Agent	**(225)**	-
- Closure of Struckhausen	**(3,132)**	-
- Impairment of property, plant & equipment	**(2,500)**	-
- Impairment of brands	**(200)**	(1,142)
	(6,057)	(1,142)
Amortisation	**(7,235)**	(7,912)
Fees relating to voluntary debt prepayments	**(1,002)**	-
Non-cash interest to parent company	**(18,692)**	(19,510)
Non-cash foreign exchange (losses)/gains	**(287)**	339
Non-cash movement in fair value of derivatives	**3,214**	(1,500)
	(30,059)	(29,725)

Management took the decision to cease production at Nord EIS – die Eisprofit GmbH, Struckhausen, with effect from October 1, 2010 with the production being transferred to R&R Ice Cream Deutschland GmbH. The exceptional cost of €3,132 thousand reflects the cost of closure.

2. Operating Segments

The results of the Group under the key management reporting segments as reported to the Management Board of the Group are as follows:

In thousands of Euros	Nine months ended 30 September 2010	Nine months ended 30 September 2009
Revenue		
- UK	**145,346**	157,972
- Germany / Poland	**178,966**	188,011
- France	**34,835**	36,932
- Intra-group	**(3,963)**	(4,820)
- Sub-total as reported to management	**355,184**	378,095
- Reconciling items(1)	**(14,599)**	(19,712)
	340,585	358,383
Adjusted EBITDA		
- UK	**27,670**	31,863
- Germany / Poland	**30,356**	39,634
- France	**2,699**	4,660
- Sub-total as reported to management	**60,725**	76,157
- Reconciling items(2)	**(349)**	(617)
	60,376	75,540

Note (1): Reconciling items principally includes (i) UK rebates which are presented in the management accounts on a net basis, but are presented in our IFRS results on a net net basis and (ii) the impact of translating the results of subsidiaries in currencies other than the Euro (Sterling and Zloty) to the average rate for the period in the IFRS figures, rather than the budgeted exchange rate used in the management accounts.
Note (2): Reconciling items principally includes the impact of translating the results of subsidiaries in currencies other than the Euro (Sterling and Zloty) to the average rate for the period in the IFRS figures, rather than the budgeted exchange rate used in the management accounts. In the prior period, Reconciling items also includes EBITDA attributable to minority interests which is not shown within EBITDA in the management accounts.

Refer to note 7 for a reconciliation of Profit for the period to Adjusted EBITDA.

3. Income tax expense in the income statement

In thousands of Euros	Nine months ended 30 September 2010	Nine months ended 30 September 2009
Current tax charge		
Current period	**2,693**	8,252
Adjustments for prior periods	**(270)**	316
Total current tax charge	**2,423**	8,568
Deferred tax charge		
Origination and reversal of temporary differences	**3,331**	631
Adjustments for prior periods	**-**	(964)
Total deferred tax charge	**3,331**	(333)
Total income tax charge	**5,754**	8,235

Reconciliation of effective tax rate

In thousands of Euros		Nine months ended 30 September 2010	Nine months ended 30 September 2009
Profit for the period before income tax		**10,610**	25,753
Total income tax using domestic corporation tax rate	28%	**2,971**	7,211
Non deductible expenses	12%	**1,294**	7,557
Impact of charge of tax rate on deferred tax	(0%)	**(15)**	-
Losses derecognised from/(recognised in) deferred tax provision	13%	**1,378**	(6,558)
Difference between local tax rates and UK standard rate	4%	**396**	673
(Over)/under recovery in prior periods – current tax	(3%)	**(270)**	316
Over recovery in prior periods - deferred tax	-	**-**	(964)
	54%	**5,754**	8,235

4. Reconciliation of movement in capital and reserves

Reconciliation of movement in capital and reserves for the year ended 31 December 2009

In thousands of Euros	Share capital	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total
Balance at 1 January 2009	50,886	(40,792)	(77,211)	1,208	(65,909)
Exchange difference on retranslation of foreign operations	-	8,728	-	-	8,728
Profit for the year	-	-	5,363	254	5,617
Balance at 31 December 2009	**50,886**	**(32,064)**	**(71,848)**	**1,462**	**(51,564)**

Reconciliation of movement in capital and reserves for the nine months ended 30 September 2009

In thousands of Euros	Share capital	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total
Balance at 1 January 2009	50,886	(40,792)	(77,210)	1,208	(65,908)
Exchange difference on retranslation of foreign operations	-	4,934	-	-	4,934
Profit for the period	-	-	17,111	407	17,518
Balance at 30 September 2009	**50,886**	**(35,858)**	**(60,099)**	**1,615**	**(43,456)**

Reconciliation of movement in capital and reserves for the nine months ended 30 September 2010

In thousands of Euros	Share capital	Currency Translation reserve	Accumulated losses	Non-controlling interests	Total
Balance at 1 January 2010	50,886	(32,064)	(71,848)	1,462	(51,564)
Exchange difference on retranslation of foreign operations	-	4,639	-	-	4,639
Acquisition of remaining minority stake in controlled subsidiary		-	(1,878)	(1,462)	(3,340)
Profit for the period	-	-	4,856	-	4,856
Balance at 30 September 2010	**50,886**	**(27,425)**	**(68,870)**	**-**	**(45,409)**

Currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and the Company's net investment in those operations.

Non-controlling interests

Non-controlling interests represents the share of the Group's net assets attributable to the minority shareholders of its subsidiaries. On 4 January 2010, the Group acquired the remaining 25% of Kelly's of Cornwall Limited, the only non-controlling interest in the Group, and so the non-controlling interest reserve has been realised.

5. Repayments and issuances of debt

Under the banking facilities then available to the Group, on 31 March and 30 September each year, the Group was required to make scheduled repayments on its existing syndicated debt facilities. In March 2010 this repayment amounted to €4.5 million (March 2009: €3.1 million) and in September 2010 this repayment amounted to €5.2 million (September 2009: €4.5 million).

On 29 January 2010, the Group also made two voluntary repayments of debt. €12.1 million was paid in respect of existing syndicated debt facilities, and €28.3 million was paid in partial settlement of various loans from its immediate parent, OCM Luxembourg Ice Cream Holdings Sarl.

At 30 September 2010, the Group also had access to a revolving credit facility in order to fund its seasonal working capital requirement. At 30 September 2010, €Nil was drawn under this facility (30 September 2009: €Nil). At 30 September 2010, the total available commitment under this revolving credit facility was €54.7 million (30 September 2009: €52.3 million).

The existing Group banking facilities were refinanced on 5 November 2010 (see note 8).

6. Provisions

In thousands of Euros	Transfer of Struckhausen	Transfer of Haltern	Total
Balance at 1 January 2009	-	1,190	1,190
Provisions made during the period	-	193	193
Provisions used during the year	-	(915)	(915)
Balance at 30 September 2009	-	468	468
Balance at 1 January 2010	-	606	606
Provisions made during the period	3,515	-	3,515
Provisions used during the year	(2,151)	(65)	(2,216)
Balance at 30 September 2010	**1,364**	**541**	**1,905**

Notes to the condensed consolidated interim financial information *(continued)*

7. Profit for the period reconciliation to EBITDA and Adjusted EBITDA

In thousands of Euros

	Note	Nine months ended 30 September 2010	Nine months ended 30 September 2009
Profit for the period		**4,856**	17,518
Adjustments for:			
Loss on disposal		**77**	35
Depreciation		**12,135**	11,700
Impairment of property, plant & equipment		**2,500**	-
Amortisation		**7,235**	7,912
Impairment of intangible assets		**200**	1,142
Net finance costs		**23,887**	28,623
Taxation	*3*	**5,754**	8,235
EBITDA		**56,644**	75,165
Adjustments for:			
Cessation of business with French Agent		**225**	-
Closure of Struckhausen		**3,132**	-
OCM management fees		**375**	375
Adjusted EBITDA		**60,376**	75,540

8. Subsequent Events

On 28 October 2010, R&R Ice Cream Limited registered as a public limited company and was renamed R&R Ice Cream plc.

On 5 November 2010, the Group was restructured and refinanced.

On the 25 June 2010, R&R Rolland France SAS, a newly-formed affiliate of R&R Ice Cream plc, acquired substantially all the equity interests of Soparo SAS. These companies were related parties to the Group by virtue of common ownership by R&R Ice Cream Sarl.

As part of the restructuring the equity of R&R Rolland France SAS, a company registered in France, and its subsidiaries were acquired by the Group. The results of these entities will be consolidated into those of the R&R Ice Cream plc for the first time in the results for the year ended 31 December 2010.

The refinancing included the issue of €350 million Senior Secured Notes due 2017 and a €60 million revolving credit facility. These new facilities were used principally (i) to satisfy the indebtedness of R&R Ice Cream plc and its subsidiaries under the Group's existing banking facilities, (ii) to satisfy the indebtedness of R&R Rolland France SAS under its existing banking facilities, (iii) to partially settle certain debt of OCM Ice Cream Luxembourg Holdings Sarl, the Company's parent (see note 9), and (iv) for the general corporate purposes of the Group. Substantially all of the assets of R&R Ice Cream plc and its subsidiaries guarantee the obligations of R&R Ice Cream plc under the Notes and the revolving credit facility on a senior secured basis.

9. Related parties

Parent and ultimate controlling party

At 30 September 2009, the immediate parent company of R&R Ice Cream plc was OCM Luxembourg Ice Cream Holdings Sarl. The ultimate parent company was Oaktree Capital Management LLC, Los Angeles, CA, USA.

In June 2010, there was a restructuring of the Group, such that New R&R ice Cream Limited, a company registered in the UK, became the immediate parent company of R&R Ice Cream plc. The ultimate parent company continues to be Oaktree Capital Management LLC, Los Angeles, CA, USA.

Transactions with related parties

At 30 September 2010, the Group owed €209.4 million (30 September 2009: €231.0 million) in long term loans and €90.5 million (30 September 2009: €71.8 million) in accrued interest to OCM Luxembourg Ice Cream Holdings Sarl. Ahead of the refinancing of 5 November 2010 (see note 8), the long term loans were rolled into a subordinated shareholder loan. On 5 November 2010, an amount equating to the amount that would have been owing on the B PIK loan (€41.3 million) was paid via a new intermediary holding company to OCM Luxembourg Ice Cream Holdings Sarl. Additionally, a dividend of €7.1 million was paid through this intermediary holding company to OCM Luxembourg Ice Cream Sarl, a loan of €2.9 million due from R&R Ice Cream Sarl was acquired by R&R Ice Cream UK Limited from R&R Rolland Holdings France SAS and immediately written off, and the loan of €0.8 million owing from OCM Luxembourg POF III Sarl to R&R Ice Cream plc (see below) was written off.

During the nine months ended 30 September 2010, a management fee of €375 thousand (30 September 2009: €375 thousand) was charged by OCM Luxembourg Ice Cream Holdings Sarl.

In the nine months ended 30 September 2010, €49 thousand (30 September 2009: €25 thousand) of interest was accrued on an outstanding loan to OCM Luxembourg POF III Sarl, one of the shareholders in the Company's ultimate parent undertaking.

Key management personnel compensation comprised:

In thousands of Euros	**Nine months ended 30 September 10**	**Nine months ended 30 September 09**
Short-term employee benefits	1,064	951

Key management personnel are defined as the R&R Ice Cream plc Directors, the Company Secretary and the R&R Operations Director as at 30 September 2010.

Soparo SAS
Numéro d’identification: 450 219 241 RCS Brest

Unaudited interim condensed consolidated financial information for the nine months ended 30 September 2010

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Unaudited interim condensed consolidated income statement

For the nine months ended 30 September 2010

In thousands of Euros

	Note	Nine months ended 30 Sep 10 Total	Nine months ended 30 Sep 09 Total
Revenue		**81,257**	**90,031**
Cost of sales		**(65,876)**	**(72,454)**
Gross profit		**15,381**	**17,577**
Distribution expenses		**(5,783)**	**(5,254)**
Administrative expenses		**(4,741)**	**(4,838)**
Results from operating activities		**4,857**	**7,485**
Finance income		**112**	**29**
Finance expenses		**(711)**	**(882)**
Net finance costs		**(599)**	**(853)**
Profit before income tax		**4,258**	**6,632**
Income tax charge	*1*	**(1,386)**	**(1,923)**
Profit from continuing operations		**2,872**	**4,709**
Attributable to:			
Equity holders of the Company		**2,688**	**4,304**
Non-Controlling interest		**184**	**405**
Profit for the period		**2,872**	**4,709**

The notes on pages 7 to 13 are an integral part of this condensed consolidated interim financial information.

All operations are continuing.

Unaudited interim condensed consolidated statement of comprehensive income

For the nine months ended 30 September 2010

In thousands of Euros

	Nine months ended 30 Sep 10	Nine months ended 30 Sep 09
Profit for the period	2,872	4,709
Other comprehensive income		
Exchange differences on retranslation of foreign operations	-	-
Other comprehensive income	-	-
Total comprehensive income for the period	2,872	4,709

Unaudited interim condensed consolidated statement of changes in equity

For the nine months ended 30 September 2010

In thousands of Euros

	Share capital	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2010	8,423	4,051	(336)	**12,138**	1,449	**13,587**
Total comprehensive income for the period						
Profit for the period	-	2,688	-	**2,688**	184	**2,872**
Other adjustments	-	1,633	156	**1,789**	(1,633)	**156**
Balance at 30 September 2010	**8,423**	**8,372**	**(180)**	**16,615**	**-**	**16,615**
Balance at 1 January 2009	8,423	558	(369)	**8,612**	1,197	**9,809**
Total comprehensive income for the period						
Profit for the period	-	4,304	-	**4,304**	405	**4,709**
Other adjustments	-	-	(23)	**(23)**	(135)	**(158)**
Balance at 30 September 2009	**8,423**	**4,862**	**(392)**	**12,893**	**1,467**	**14,360**

Unaudited interim condensed consolidated statement of financial position

As at 30 September 2010

In thousands of Euros

Assets	*Note*	**30 Sep 10**	**30 Sep 09**	**31 Dec 09**
Non-current assets				
Property, plant and equipment		22,382	23,540	24,289
Intangible assets		1,346	1,186	1,382
Financial assets		652	917	780
Deferred tax assets		-	-	40
Total non-current assets		24,380	25,643	26,491
Current assets				
Inventories		17,314	16,209	11,938
Current tax assets		-	-	1
Trade and other receivables		21,139	20,668	17,465
Cash and cash equivalents		1,073	959	1,475
Total current assets		39,526	37,836	30,879
Total assets		63,906	63,479	57,370
Equity and liabilities				
Equity				
Equity share capital	*3*	8,423	8,423	8,423
Other reserves	*3*	(180)	(392)	(336)
Accumulated benefits	*3*	8,372	4,862	4,051
Non-Controlling interest	*3*	-	1,467	1,449
Total equity		16,615	14,360	13,587
Non-current liabilities				
Financial liabilities	*4*	3,888	7,489	7,617
Deferred tax liabilities		2,500	3,027	2,629
Provisions	*5*	1,567	1,500	1,390
Total non-current liabilities		7,955	12,016	11,636
Current liabilities				
Financial liabilities	*4*	10,521	14,043	11,967
Trade and other payables		28,761	21,856	20,180
Current tax liabilities		54	1,204	-
Total current liabilities		39,336	37,103	32,147
Total liabilities		47,291	49,119	43,783
Total equity and liabilities		63,906	63,479	57,370

Unaudited interim condensed consolidated statement of cash flows

For the nine months ended 30 September 2010

In thousands of Euros

	Note	Nine months ended 30 Sep 10	Nine months ended 30 Sep 09
Cash flows from operating activities			
Operating cash flow before changes in working capital and provisions	*6*	7,009	9,783
Increase in inventories		(5,376)	(4,386)
Increase in trade and other receivables		(3,674)	(626)
Increase in trade and other payables		8,581	2,796
Increase in provisions	*5*	177	129
Cash generated from operations		6,717	7,696
Interest paid		(711)	(882)
Income tax paid		(1,421)	(696)
Net cash from operating activities		4,585	6,118
Cash flows from investing activities			
Interest received		240	29
Acquisition of property, plant and equipment		(398)	(1,243)
Proceeds from sale of subsidiary		432	-
Acquisition of intangible assets		(242)	(42)
Net cash from/(used in) investing activities		32	(1,256)
Cash flows from financing activities			
Increase/(decrease) in loan from related party	*4*	155	(158)
Repayment of finance lease liabilities		(1,220)	(1,183)
Decrease in factor drawdown	*4*	(3,954)	(3,531)
Net cash from financing activities		(5,019)	(4,872)
Net decrease in cash and cash equivalents		(402)	(10)
Cash and cash equivalents at 1 January		1,475	969
Cash and cash equivalents at 30 September		1,073	959

The notes on pages 7 to 13 are an integral part of this condensed consolidated interim financial information.

Notes to the unaudited interim condensed consolidated financial information

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for interim financial statements. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on the basis of IFRSs in issue that are effective or available for early adoption at the Group's first IFRS annual reporting date, 31 December 2010. Based on these IFRSs, the Board of Directors have made assumptions about the accounting policies expected to be adopted (accounting policies) when the first IFRS annual financial statements are prepared for the year-ended 31 December 2010.

The IFRSs that will be effective or available for voluntary early adoption in the annual financial statements for the period ended 31 December 2010 are still subject to change and to the issue of additional interpretation(s) and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period that are relevant to this interim financial information will be determined only when the first IFRS financial statements are prepared at 31 December 2010.

This condensed consolidated interim financial information presents the consolidated financial records for the nine months ended 30 September 2010 of Soparo SAS and its subsidiaries, together the 'Group'.

The condensed consolidated interim financial information for the nine months ended 30 September 2010 has been prepared in accordance with the International Accounting Standard ("IAS") 34 'Interim financial reporting' as adopted by the European Union.

Going concern

At 30 September 2010, the Group had consolidated net equity of €16,615k (30 September 2009 of €14,360k). The Directors have considered this position, together with the Group's budgets and after making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the Group's going concern basis for the preparation of the condensed consolidated interim financial information.

This condensed interim financial information was approved for issue on 4 January 2011.

For the purposes of this condensed consolidated interim financial information, it should be noted that the Group's sales are subject to significant monthly fluctuations as a result of the seasonal weather patterns experienced in our core geographical markets. As a result of these seasonal fluctuations, the Group has historically made the majority of its revenue and profits in the second and third quarters of the year and this trend is expected to continue in this, and future, years. The balances of inventories, trade debtors and trade creditors at the end of September each year are also much higher than at the financial year end as a result of these seasonal fluctuations.

The results for the nine months for the current and comparative periods are unaudited.

Business combinations

Acquisitions on or after 1 January 2009

For acquisitions on or after 1 January 2009, the Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

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

Acquisitions prior to 1 January 2009

As part of its transition to IFRSs, the Group elected to restate only those business combinations that occurred on or after 1 January 2009. In respect of acquisitions prior to 1 January 2009, goodwill represents the amount recognised under the Group's previous accounting framework, French GAAP.

Material accounting policies

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided using the straight line method to write off the cost less any estimated residual value, as follows:

- Land	Nil depreciation	Nil depreciation
- Buildings	30-40 years	2.5%-3.33%
- Plant and equipment	3-30 years	3.33%-33.0%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Leased assets

Assets financed by means of a finance lease are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on such assets is charged to the income statements, in accordance with the stated accounting policy, over the shorter of the lease term or the asset life. The finance elements of payment to leasing companies are calculated so as to achieve a constant rate of interest on the remaining balance over the lease term, and charged to the income statement accordingly.

Amounts payable under operating leases are charged to operating expenses on a straight line accruals basis over the lease term.

Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer (which is when the goods are despatched), recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in profit and loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised 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 jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using the prevailing tax rates. The deferred tax balance has not been discounted.

Current tax is the expected tax payable on the taxable income for the period, using prevailing tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Inventories

Inventories are stated at the lower of cost and net realisable value. Work in progress comprises direct materials, labour costs, site overheads and other attributable overheads.

Trade and other receivables

Trade and other receivables are held at cost less any impairment in realisable value.

Bank and other borrowing

Interest bearing borrowings, bank and other borrowings are carried at amortised cost. Finance charges, including issue costs are charged to the income statement using an effective interest rate method.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value.

Non-IFRS measures

EBITDA

Management uses EBITDA to monitor the ongoing performance of the Group. We define EBITDA as earnings before interest charges, taxation, depreciation and amortisation. EBITDA also excludes any other exceptional items.

1. Income tax expense in the income statement

In thousands of Euros	Nine months ended 30 Sep 10	Nine months ended 30 Sep 09
Current tax charge		
Current period	1,481	1,973
Deferred tax charge		
Origination and reversal of temporary differences	(95)	(50)
Total income tax charge	1,386	1,923

Reconciliation of effective tax rate

In thousands of Euros		Nine months ended 30 Sep 10	Nine months ended 30 Sep 09
Profit for the period before income tax		4,258	6,632
Total income tax using domestic corporation tax rate	28%	1,192	1,857
Non deductible expenses	2%	92	129
Losses not recognised in deferred tax provision	(3%)	(125)	(416)
Difference between local tax rates and UK standard rate	5%	227	353
	33%	1,386	1,923

2. Acquisitions and disposals

On 25 June 2010, the Group disposed of its interest in Socreo Sarl, a 100% indirectly owned subsidiary for its book value of €432k. This subsidiary was considered by the directors to be non-core and this transaction had an immaterial effect on the net assets of the Group.

On 25 June 2010, the Group was acquired by R&R Rolland France SAS (see note 7).

Notes to the unaudited interim condensed consolidated financial information *(continued)*

3. Reconciliation of movement in capital and reserves

In thousands of Euros	Share capital	Retained earnings	Other Reserves	Non-Controlling interest	Total
Balance at 1 January 2010	8,423	4,051	(336)	1,449	13,587
Profit for the year	-	2,688	-	184	2,872
Other adjustments	-	1,633	156	(1,633)	156
Balance at 30 September 2010	8,423	8,372	(180)	-	16,615
Balance at 1 January 2009	8,423	558	(369)	1,197	9,809
Profit for the year	-	4,304	-	405	4,709
Other adjustments	-	-	(23)	(135)	(158)
Balance at 30 September 2009	8,423	4,862	(392)	1,467	14,360

Other reserves

Other reserves comprise the consolidation earnings of the years before and the other adjustments of the years between legal presentation and consolidation presentation.

Non-Controlling interest

The Non-Controlling interest representing shares held at par by Rolland SAS and SCP (management and employees) was removed on the acquisition of 100% of Soparo SAS by R&R Rolland France SAS in June 2010.

4. Financial liabilities

On 25 June 2010, the Soparo Group was refinanced. This included the reimbursement of €6,350k of credit lines, €938k of shareholder loans, €805k of convertible bonds, €671k of long term debt and €1,299k of GIAC long term debt.

As at 30 September 2010, the non-current financial liabilities are only composed of financial leases and the current financial liabilities are mainly composed of financial leases with payment due not later than one year and factoring debts.

5. Provisions

In thousands of Euros	Pension	Other risks	Total
Balance at 1 January 2010	1,257	133	1,390
Provisions made during the period	119	58	177
Balance at 30 September 2010	1,376	191	1,567
Balance at 1 January 2009	1,143	228	1,371
Provisions made during the period	131	-	131
Provisions used during the year	-	(2)	(2)
Balance at 30 September 2009	1,274	226	1,500

6. Operating cash flow before changes in working capital and provisions

In thousands of Euros

	Note	Nine months ended 30 Sep 10	Nine months ended 30 Sep 09
Cash flows from operating activities			
Profit for the period		2,872	4,709
Adjustments for:			
Depreciation and impairment of property, plant and equipment		2,064	2,279
Amortisation and impairment of intangible assets		88	19
Net finance costs		599	853
Taxation	*1*	1,386	1,923
Operating cash flow before changes in working capital and provisions		7,009	9,783
EBITDA		7,009	9,783

7. Related parties

Parent and ultimate controlling party

At 30 September 2009, Soparo SAS was the ultimate parent company of the Group.

In June 2010, Soparo SAS was acquired by R&R Rolland France SAS, a company registered in France. Consequently, at 30 September 2010, R&R Ice Cream Sarl, a company registered in Luxembourg, was the ultimate parent company of the European Group and the ultimate global parent company was Oaktree Capital Management LLC, Los Angeles, CA, USA.

Transactions with related parties

On 25 June 2010, Soparo SAS borrowed €10.1 million from its immediate parent, R&R Rolland France SAS. This loan bears interest at 0.25 per cent per annum above R&R Rolland France's cost of borrowing (at 30 September 2010 this aggregated rate to Soparo SAS was 4.369%) and is repayable on 31 January 2011.

On 25 June 2010, Soparo SAS disposed of its indirectly held 100% shareholding in Socreo Sarl to LYR, a Société Civile Immobilière, jointly owned and managed by Lionel Rolland, one of the directors of Soparo SAS.

Key management personnel are defined as the Group Directors, Lionel Rolland President, Denis Gasparini Plant Director and Joël Kerbrat Financial Director as at 30 September 2010.

Key management personnel compensation comprised:

In thousands of Euros	Nine months ended 30 Sep 10	Nine months ended 30 Sep 09
Short-term employee benefits	404	264

8. Operating Segments

As at 30 September 2010, R&R Ice Cream Sarl, a company registered in Luxembourg, was the ultimate parent company of the European Group. The results of Soparo SAS are reported to the Board of R&R Ice Cream PLC (an intermediary holding company) from 5 November 2010 on a consolidated basis without any further split by segment.

9. Subsequent Events

On 5 November 2010, the Soparo Group was restructured within the R&R Ice Cream Sarl Group such that it became an indirect subsidiary of R&R Ice Cream plc. The results of Soparo SAS and its subsidiaries will be consolidated into those of R&R Ice Cream plc for the first time in the results for the year ended 31 December 2010.

On 5 November 2010, R&R Ice Cream plc was refinanced through the issue of €350m Senior Secured Notes due 2017 and a €60 million revolving credit facility. Substantially all of the assets of Soparo SAS and its subsidiaries guarantee the obligations of R&R Ice Cream plc under the Notes and the revolving credit facility on a senior secured basis.