Britvic plc Interim Results – 19 May 2016

Britvic plc today reports its interim results for the 28 weeks ended 10 April 2016. All numbers quoted are on a constant currency basis and before exceptional and other items, unless otherwise stated(1)(2)

Group Financial Headlines:

- H1 revenue increased 5.1% to £678.0m and 4.3% based on actual exchange rates (AER)
  - Organic revenue (excluding Brazil) declined 1.8%
  - EBITA increased 7.1% to £69.0m and 6.6% (AER), organic EBITA increased 3.1%
  - EBITA margin improvement of 20bps, organic EBITA margin up 60bps
- Profit after tax increased 7.5% to £41.7m
- Adjusted earnings per share increased 6.1% and 5.5% (AER)
- Interim dividend of 7.0p, an increase of 4.5%
- Adjusted net debt to EBITDA ratio improved 0.2x on last half-year to 2.0x
- Full year EBITA guidance remains unchanged at £180m to £190m

Strategic Highlights:

- Continued market share growth in all of our key markets
- New production line and warehousing now operational at our Leeds facility
- New seven year deal with Subway in GB for both Britvic and Pepsi brands from June
- Fruit Shoot multi-pack is being launched in USA grocery channel
- Brazil H1 revenue 8.6% ahead of last year, integration largely completed

	28 weeks ended 10 April 2016 £m(2)	28 weeks ended 12 April 2015 £m(2)	% change actual exchange rate	% change constant(1) exchange rate
Revenue(5)	678.0	650.3	4.3%	5.1%
EBITA(8)	69.0	64.7	6.6%	7.1%
EBITA margin(8)	10.2%	9.9%	30bps	20bps
EBIT(9)	65.4	63.2	3.5%	3.8%
Profit before tax	54.5	51.0	6.9%	7.3%
Profit after tax	41.7	39.0	6.9%	7.5%
Profit after tax, after exceptional and other items	40.6	37.9	7.1%	7.1%
Adjusted EPS(10)	17.3p	16.4p	5.5%	6.1%
Basic EPS, after exceptional and other items	15.5p	15.3p	1.3%	1.3%
Weighted average no. of shares	261.1	247.3	5.6%	-
Interim dividend per share	7.0p	6.7p	4.5%	-
Underlying free cash flow(11)	(46.9)	(31.5)	(48.9)%	-
Adjusted net debt(12)	(438.9)	(447.7)	2.0%	-
Adjusted net debt/EBITDA ratio	2.0x	2.2x	0.2x	-

Simon Litherland, Chief Executive Officer commented:

“We have reported a 7.1% increase in EBITA in the first half of the year despite the challenging customer environment and continued price deflation in our core markets. We have outperformed the soft drinks category in each of our core markets, gaining market share as a result. Our recent acquisition in Brazil is growing ahead of last year and Fruit Shoot multi-pack is being launched in the USA.

We continue to invest behind the longer term drivers of growth - supply chain efficiency in GB, innovation and our international businesses - and I remain excited about our ability to drive sustainable revenue growth in the years ahead. With the key summer trading period ahead of us, strong marketing plans for the rest of the year and continued cost control, we remain on-track to deliver EBITA in the range of £180m to £190m for the full year.”

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There will be a live webcast of the presentation given today at 10am by Simon Litherland (Chief Executive Officer) and Mathew Dunn (Chief Financial Officer).

The webcast will be available at www.britvic.com/investors with a transcript available in due course.

Definitions

(1) Where appropriate, comparative results are quoted using constant exchange rates. Constant currency change removes the impact of exchange rate movements during the period by retranslating prior period foreign currency denominated results of the group at current period exchange rates to aid comparability.

(2) All numbers quoted are before exceptional and other items, unless otherwise stated.

(3) Volume is defined as number of litres sold, excluding factored brands sold by Counterpoint in Ireland. No volume is recorded in respect of international concentrate sales with the exception of USA multi-pack sales.

(4) ARP is defined as average revenue per litre sold, excluding factored brands and concentrate sales.

(5) Group revenue is defined as sales achieved by the group net of price promotional investment and retailer discounts.

(6) Brand contribution is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs.

(7) Brand contribution margin is a percentage measure calculated as brand contribution, divided by revenue. Each business unit’s performance is reported down to the brand contribution level.

(8) Group EBITA is defined as operating profit before exceptional and other items and amortisation. Only amortisation attributable to intangibles related to acquisitions is added back, in the period this is £3.6m (2015: £1.5m). EBITA margin is EBITA as a proportion of group revenue.

(9) Group EBIT is defined as operating profit before exceptional and other items. EBIT margin is EBIT as a proportion of group revenue.

(10) Adjusted earnings per share amounts are calculated by dividing adjusted earnings by the average number of shares during the period. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before exceptional and other items adjusted for the adding back of acquisition related amortisation. Average number of shares during the period is defined as the weighted average number of ordinary shares outstanding during the period excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes. The weighted average number of ordinary shares in issue for adjusted earnings per share for the period was 261.1m (2015: 247.3m).

(11) Underlying free cash flow is defined as net cash flow excluding movements in borrowings, dividend payments and exceptional and other items.

(12) Group adjusted net debt is defined as group net debt, adding back the impact of derivatives hedging the balance sheet debt.

Reconciliation from actual exchange rate to constant exchange rate

	2015 actual exchange rate £m	Change £m	2015 constant exchange rate £m
Revenue	650.3	(5.0)	645.3
EBIT	63.2	(0.2)	63.0
Profit before tax	51.0	(0.2)	50.8
Profit after tax (PAT)	39.0	(0.2)	38.8
PAT after exceptional and other items	37.9	-	37.9
EBITA	64.7	(0.3)	64.4
Basic earnings per share	15.3p	-	15.3p
Adjusted earnings per share	16.4p	(0.1p)	16.3p

Notes to editors

About Britvic

Britvic is one of the leading branded soft drinks businesses in Europe. The company combines its own leading brand portfolio including Robinsons, Tango, J2O, Fruit Shoot, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Mountain Dew Energy which Britvic produces and sells in GB and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in Great Britain (“GB”) and the number two supplier of branded carbonated soft drinks in GB. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, in France with brands such as Teisseire and Fruité and in Brazil with Maguary and Dafruta. Britvic is growing its reach into other territories through franchising, export and licensing. Britvic's management team has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scale brands. Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE 250 index.

Cautionary note regarding forward-looking statements

This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules and applicable law, Britvic undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date such statements are published.

Market data

GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 9 April 2016. ROI take-home market data is supplied by Nielsen and runs to 20 March 2016. French market data is supplied by IRI and runs to 4 April 2016. Brazil market data is supplied by Nielsen and runs to 31 March 2016.

Next scheduled announcement

Britvic will publish its quarter three trading statement on 21 July 2016.

Chief Executive Officer's Strategic Review

It has been three years since I outlined our strategy to generate shareholder value through the growth of our own brands in the kids, family and adult categories as well as maximising the power of our PepsiCo relationship. In that time, despite increasingly challenging market conditions, we have consistently grown earnings whilst investing in the long-term drivers of growth. The first half of 2016 is no exception and we have made further progress against our strategic priorities.

"Generate profitable growth in our core markets"

As anticipated, trading conditions in GB, France and Ireland have continued to remain difficult this year and, with the exception of Ireland, show no signs of improvement. Encouragingly we have continued to increase our share of the soft drinks category in each of these markets, reflecting the strength of our brand portfolio and commercial execution.

In GB, our carbonates portfolio, led by Pepsi Max, has had another particularly strong half. The Max proposition of no sugar with the full taste of Pepsi continued to resonate with consumers, supported by compelling marketing plans such as the sponsorship of the Champions League football tournament.

The GB stills portfolio had a disappointing first half of the year. Robinsons short term performance has been impacted by our decision to remove the added sugar range and very competitive own label pricing. As the category leader, removing added sugar from this family brand is appropriate for the long term as consumers seek 'Better for You' soft drinks. In addition we have improved the taste, added new flavours to the range and we are adding new pack sizes in the second half of the year to unlock specific channel growth opportunities. The brand's consumer perception metrics continue to improve following the re-launch in May last year.

Whilst Fruit Shoot gained market share, its decline year on year reflected the weaker kids category. Our innovation launches, including Teisseire and J20 Spritz, continue to grow and give us further confidence that we will improve our stills performance.

I am delighted that we have recently commenced a seven year agreement with Subway in GB, who have over two thousand outlets today and plans to expand further. This represents a major win for our GB business and demonstrates the value of our industry leading portfolio of low and no sugar brands.

In France the soft drinks market has weakened this first half with both volume and value declining, reflecting the increasingly challenging trading conditions. Our revenue decline this year is driven by private label sales whilst our branded business, led by Teisseire and Fruit Shoot, has grown. Our branded business now accounts for 60% of France revenues compared to 50% on acquisition in 2010. This summer we will be sponsoring the iconic Tour de France cycle race again, which offers excellent exposure for our brands both in France and internationally.

Our performance in Ireland has been strong and we have now seen revenue growth in four of the last five quarters. Our innovation launches, led by the no sugar Club Zero and MiWadi Zero, are proving to be very popular and continue to bring new consumers into our brands. We are about to launch a super concentrated version of MiWadi, following the launch of similar formats under the Robinsons and Teisseire brands. These formats have been developed for consumption "on the go", enabling consumers to hydrate in a tasty and low calorie way wherever they are.

"Realise global opportunities in kids, family and adult categories"

Earlier this year we acquired the Ebba business in Brazil and I am delighted to welcome all of our new colleagues into the group. Their brands are market leaders in a category we know very well, dilutes, and also have a strong position in the broader nectars category. These brands and the strength of Ebba's route to market provide a strong platform to grow our presence in the kids, family and adult categories.

Whilst we have only owned the business for six months, the integration process is largely complete and we are working closely with the strong management team to deliver the acquisition business case in the months and years ahead. We will at least double EBITDA by 2020, through reinvigorating the core concentrates category, accelerating growth in ready to drink nectars and introducing Britvic brands and innovation to the market. We have delivered a strong performance in the first six months with the Maguary and Dafruta brands taking value share, both volume and revenue is ahead of last year.

In November 2015 we announced that we would launch Fruit Shoot multi-pack into the USA grocery channel with Advantage Sales & Marketing as our partner. We have secured listings with some major chains in the USA, including Walmart, Kroger and the Texas-based retailer HEB and we expect the brand to reach circa 20% distribution by summer. In recent weeks we have made our first deliveries and we look forward to the year ahead as we invest to build the brand in the USA. The more established single serve Fruit Shoot proposition is now rolling out across the Pizza Hut estate, an excellent shop window to drive awareness and trial with US consumers.

"Continue to step-change our business capability"

At the end of last year we announced a number of changes in our executive team with a new CFO and new Managing Directors of our International and Brazil business units. Whilst early days they are all now settled and making a real difference in bringing our strategy to life and building business performance.

The major investment programme in our GB supply chain is now well underway and a new PET production line and warehousing facility are now operational in Leeds. By increasing our PET capability and efficiency, particularly for the north of England and Scotland, we can produce a more flexible range of PET packs at a lower cost. Work is also underway at our other sites, including new can lines at Rugby and a new PET line at our London factory. We remain on-track to invest between £70m and £80m of capital expenditure in support of this programme this year, with a commitment to deliver at least a 15% cash return on the capital invested when fully operational.

"Build trust and respect in our communities"

We have continued to make progress on our broad sustainability agenda. Our GB, Irish and French businesses all have charity partnerships as part of our contribution to the communities in which we operate. In GB we have partnered with "The Wildlife Trusts" and "Sported" charities to support our ambition to encourage people to lead healthier and more active lifestyles as well as protecting the environment.

As you will be aware the UK Government announced a proposed soft drinks tax in the March 2016 Budget with proposed implementation in 2018. While we are disappointed with the decision and believe a holistic approach is necessary to tackle obesity, Britvic is well placed to respond as we have been building our portfolio of 'Better for You' soft drinks for some time. As currently proposed 66% of our volumes fall below the proposed tax bands. Since 2012 our actions, such as the removal of full sugar Fruit Shoot and Robinsons and the reformulation of brands such as J20 and Drench, have led to an annualised 19 billion calorie reduction across our portfolio. We will continue to play this leadership role and our focus will be on creating a portfolio of brands which appeals to evolving consumer preferences.

Overall I am pleased with the progress we have made so far this year and we are on-track to deliver both our profit guidance for the year and to continue to build sustainable long-term shareholder value.

Chief Financial Officer's Review

The following is based on Britvic's results for the 28 weeks ended 10 April 2016. All numbers quoted are on a constant currency basis and are before exceptional and other items, unless otherwise stated.

Overview

In the period the group sold 1.17 billion litres of soft drinks, an increase of 9.8% on the previous year and group revenue was £678.0m, an increase of 5.1%. Excluding the first time contribution of Brazil, volumes increased 0.2% and revenue declined by 1.8% to £633.9m.

Group adjusted EBITA has grown by 7.1% to £69.0m, with EBITA margin increasing by 20bps to 10.2%. The contribution from Brazil at the half year includes their key summer trading period. Organic EBITA excluding the impact of Brazil grew 3.1%. Delivering revenue growth in our core markets remained difficult and our profit growth in the first half of the year was underpinned by a strong focus on cost control. Adjusted EPS has grown by 6.1% to 17.3p and with an improvement in our adjusted net debt to EBITDA by 0.2x has allowed the board to declare an interim dividend of 7.0p, 4.5% growth on last year.

GB carbonates	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate
Volume (millions litres)	631.2	616.7	2.4
ARP per litre	46.5p	46.5p	0.0
Revenue	293.8	286.8	2.4
Brand contribution	117.7	113.1	4.1
Brand contribution margin	40.1%	39.4%	70bps

A strong second quarter performance saw revenue up over 5% leading to a half year revenue growth of 2.4%. This performance was driven across the carbonates portfolio, led by Pepsi, which continued to deliver another period of strong take-home market share gains. There was a significant out-performance in "on the go" packs, which are margin accretive, and drove brand contribution margin ahead of last year by 70bps. The focus on the no-sugar Pepsi Max variant continued to be very successful with the new cherry variant a key factor in the growth.

GB stills	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate
Volume (millions litres)	174.3	184.5	(5.5)
ARP per litre	84.7p	86.9p	(2.5)
Revenue	147.7	160.3	(7.9)
Brand contribution	69.7	76.2	(8.5)
Brand contribution margin	47.2%	47.5%	(30)bps

The GB total stills take-home market, as measured by Nielsen, declined in value by 2.7% (excluding water) and the total squash category declined 3.9%. Robinsons, the market leading squash brand, underperformed the category as we removed the added sugar variants part way through last year and have experienced some volume loss as a result. In the second half of the year we will start to lap the removal of the added-sugar range. Robinsons has also been adversely affected by an increase in price promotion activity in response to aggressive pricing from own-label competitors who in turn are responding to discounter pricing.

Whilst Fruit Shoot saw strong market share gains its overall performance declined, reflecting the weak kids category. Our recent innovations, including Teisseire and J20 Spritz are generating category growth and the second half of the year will see the introduction of new packs for Robinsons and the re-launch of Drench, an adult juice drink, with a new brand identity and lower sugar formulation. As consumer trends move to "Better for You" products, our broad stills portfolio combined with our innovation programme is well positioned to capitalise on the future growth opportunities.

France	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	137.7	142.6	(3.4)	(3.4)
ARP per litre	78.9p	83.1p	(5.1)	(2.2)
Revenue	108.6	118.5	(8.4)	(5.6)
Brand contribution	31.5	34.0	(7.4)	(4.5)
Brand contribution margin	29.0%	28.7%	30bps	30bps

The take-home soft drinks market, as measured by IRI, was down in both volume and value by 1.4% and 0.4% respectively. Within the categories that we operate of Syrups, Kids and Juice, all of our key own brands of Teisseire, Fruit Shoot and Pressade have again taken market volume and value share. The ARP decline is in part driven by the growing strength of the Fruit Shoot brand, firmly established as the leading brand in the category, where the ARP is lower than the French average, but accretive to the group. The volume and revenue decline is largely driven by a reduction in private label sales which have been affected by weak consumer sentiment and the power of supermarket buying groups.

Ireland	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	104.2	103.0	1.2	1.2
ARP per litre	49.1p	50.2p	(2.2)	0.0
Revenue	62.9	61.7	1.9	4.1
Brand contribution	21.5	22.1	(2.7)	0.5
Brand contribution margin	34.2%	35.8%	(160)bps	(120)bps

Note: Volumes and ARP include own-brand soft drinks sales and do not include factored product sales.

Ireland has now delivered revenue growth in four of the last five quarters. The half year revenue was up 4.1% with second quarter growth of 7.3%. Our own brand portfolio grew its value share, led by the stills brands which enjoyed growth, especially Ballygowan and MiWadi. We also saw a strong performance by the Counterpoint business in the licensed wholesale channel. The success of Counterpoint and Ballygowan water which are structurally at lower margins are the principal drivers of the decline in the brand contribution margin.

International	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	18.9	17.8	6.2	6.2
ARP per litre	110.6p	129.2p	(14.4)	(13.3)*
Revenue	20.9	23.0	(9.1)	(7.9)*
Brand contribution	3.9	8.0	(51.3)	(51.3)*
Brand contribution margin	18.7%	34.8%	(1610)bps	(1650)bps

Note: Concentrate sales are included in both revenue and ARP but do not have any associated volume. For US multipack both volume and revenue are accounted for on receipt of product by the customer.

* Whilst reported revenue, ARP and brand contribution declined, this was due to a change in the route to market in the Netherlands resulting in costs that were previously reported against overheads now being reported against revenue and marginal costs. Comparable ARP declined 2.6%, revenue grew 3.5% and brand contribution declined 15.2%.

In the Netherlands, whilst we gained market share, the trading environment was increasingly challenging. In the USA our concentrate revenue for single serve grew year on year and also included a small amount of volume and revenue for multipack sales late in the quarter as we launched this pack into the grocery channel.

Brazil	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	102.6			
ARP per litre	43.0p			
Revenue	44.1			
Brand contribution	9.1			
Brand contribution margin	20.6%			

Brazil has no comparatives as it is the first time of inclusion in the Britvic group, however non audited pro-forma comparatives are provided in the commentary to aid understanding.

Our first half performance in Brazil has been encouraging with market share gains in a challenging market, leading to volume and revenue growth of 3.8% and 8.6% respectively. We have also increased prices in response to high levels of input cost inflation which has resulted in ARP growth of 4.6%. The lag effect of increased costs and subsequent price increases has resulted in 170bps contraction to brand contribution margin. We have recruited additional resource into the business and invested in the supply chain as part of our plans to deliver on our acquisition commitment of at least doubling its EBITDA by 2020.

Fixed costs	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	% change actual exchange rate
Non-brand A&P	(6.5)	(5.4)	(20.4)
Fixed supply chain	(50.2)	(49.3)	(1.8)
Selling costs	(62.2)	(64.0)	2.8
Overheads and other	(69.1)	(71.5)	3.4
Total	(188.0)	(190.2)	1.2
Total A&P investment	*(31.6)*	*(35.4)*	*10.7*
A&P as a % revenue	*4.7%*	*5.5%*	*80bps*

Fixed costs reduced by 1.2% to £188.0m despite inclusion of Brazil overheads for the first time. Underlying fixed costs were down nearly 3% and there was a one off benefit from some costs previously categorised as overheads now being reported against revenue and marginal costs, following the route to market change in the Netherlands last year. During the first half of the year, the residual benefit of the 2013 strategic cost initiatives were achieved amounting to approximately £2m. We continued to demonstrate our commitment to the future growth potential of the international business and innovation by maintaining the targeted investment we have made in previous years.

A&P spend decreased in the first half of the year by £3.8m to £31.6m. A&P spend as a percentage of revenue decreased by 80bps to 4.7% of revenue. This was in part due to the inclusion of Brazil which currently spends much lower levels of A&P than the group average. Organic A&P spend was down on last year largely as a result of the timing of activity last year when A&P was up nearly 15% on 2014. We continue to focus on the efficiency of our marketing spend and have been actively seeking to reduce our non-working spend. We have realised some benefits of this in the first half and would expect this to continue in the second half of the year.

Exceptional and other items

In the period, we accounted for a net charge of £0.6m of pre-tax (£1.1m post tax) exceptional and other costs. These include:

- Integration of Brazil costs of £2.6m
- Remaining restructuring costs related to initiatives announced in May 2013 of £0.5m
- Restructuring costs relating to the business capability programme of £0.9m
- £1.5m associated with the unwinding of the discount on the deferred consideration for the acquisition of Ebba. The unwinding of this discount is included in exceptional costs until payment of this 2nd tranche in September 2017
- Fair value gains of £5.4m, mostly relating to a gain on the FX forward hedging the deferred consideration for Ebba (along with equity forwards)
- Debt repayment charges of £0.5m that were incurred on repayment of acquired Ebba debt

The cash associated with exceptional items in the period was an outflow of £10.4m, including items accrued for last year as previously disclosed.

Interest

The net finance charge before exceptional and other items for the 28 week period for the group was £10.9m compared with £12.2m in the same period in the prior year, reflecting the lower debt profile of the group and the refinancing of the group bank facilities last year.

Taxation

The tax charge before exceptional and other items was £12.8m which equates to an effective tax rate of 23.5% (28 weeks ended 12 April 2015: 23.5%).

Earnings per share

Adjusted basic EPS for the period, excluding exceptional and other items and acquisition related amortisation, was 17.3p, up 6.1% on the same period last year (16.3p). Basic EPS (after exceptional and other items charges post-tax) for the period was 15.5p compared with 15.3p for the same period last year (+1.3%).

Dividends

The board is recommending an interim dividend of 7.0p per share, an increase of 4.5% on the dividend declared last year, with a total value of £18.4m. The interim dividend will be paid on 8 July 2016 to shareholders on record as at 27 May 2016. The ex-dividend date is 26 May 2016.

Cash flow and net debt

Free cash flow was a £46.9m outflow, compared to a £31.5m outflow in the previous year. Working capital was an outflow of £49.5m (2015: £42.4m outflow). Capital expenditure was £47.3m (2015: £22.0m), an increase of £25.3m due to the increased investment in the GB supply chain infrastructure. Other spend decreased by £11.9m as a result of lower share purchases to satisfy share incentive schemes and interest payments. Overall, adjusted net debt reduced by £8.8m and took leverage to 2.0x EBITDA from 2.2x last interim. The adjusted net debt (taking into account the foreign exchange movements on the derivatives hedging our US Private Placement debt) at 10 April 2016 was £438.9m, compared to £447.7m at the last interim.

Treasury management

The financial risks faced by the group are identified and managed by a central treasury department, whose activities are carried out in accordance with board approved policies and subject to regular Audit and Treasury Committee reviews. The department does not operate as a profit centre and no transaction is entered into for trading or speculative purposes. Key financial risks managed by the treasury department include exposures to movements in interest rates and foreign exchange rates whilst managing the group's debt and liquidity, currency risk, interest rate risk and cash management. The group uses financial instruments to hedge against interest rate and foreign currency exposures.

At 10 April 2016 the group has £902m of committed debt facilities consisting of a £400m bank facility which matures in 2020, with the potential to extend to 2021, and a series of private placement notes with maturities between 2016 and 2026 providing the business with a secure funding platform. At 10 April 2016, the group's unadjusted net debt of £549.4m (excluding derivative hedges) consisted of £1.9m drawn under the group's committed bank facilities, £612.6m of private placement notes, £3.8m of accrued interest and £0.3m of finance leases, offset by net cash and cash equivalents of £66.8m and unamortised loan issue costs of £2.4m. After taking into account the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes, the group's adjusted net debt was £438.9m which compares to £447.7m at 12 April 2015.

Pensions

At 10 April 2016, the IAS 19 pension surplus in respect of the group defined benefit pension schemes was £2.9m (27 September 2015: net surplus of £17.3m). The net surplus has decreased primarily due to the changes in the financial assumptions, partially offset by additional employer contributions made to the GB plan of £20.0m.

The defined benefit section of the GB pension plan is closed to future accrual. The Northern Ireland Plan is only open to future accrual for members who joined before 28 February 2006, and new employees are eligible to join the defined contribution plan. All new employees in Ireland join the defined contribution plan. The 1 January 2015 actuarial valuation of the Britvic Ireland Defined Benefit Plan has been completed and shows there was no past service deficit. The GB Pension Plan actuarial valuation as at 31 March 2016 is underway.

Risk management process

The Board has overall accountability for ensuring that risk is effectively managed across the group. Each business unit executive team and key functions are responsible for identifying, assessing and managing risks in their respective area on an on-going basis, and are supported in this by the Director of Risk & Audit and the risk team. Each risk is assigned an owner at management level who ensures that appropriate actions are taken to manage the risk. The major risks are reported to and reviewed by the executive team and the board on an on-going basis and a formal review is undertaken at least twice a year. The principal risks that could potentially have a significant impact on our business in the future are set out on pages 28 and 29 of the 2015 annual report.

The principal risks include the increasing risk related to changes in consumer preferences to sugar, natural and artificial sweeteners and the risk of introduction of legislation that impacts sugar sweetened drinks. In the March 2016 budget the UK government announced a proposal to introduce a tax on soft drinks based on their sugar content from 2018. Britvic already offers a broad range of products and has taken significant steps in recent years to reduce added sugar and reformulate drinks using Stevia for example and remains committed to a 20% calorie reduction by 2020. Britvic will engage fully in the Government consultation process taking place in the summer with regard to the proposed tax.

BRITVIC PLC

INTERIM FINANCIAL STATEMENTS
FOR THE 28 WEEKS ENDED 10 APRIL 2016

Company number: 5604923

RESPONSIBILITY AND CAUTIONARY STATEMENTS

RESPONSIBILITY STATEMENTS

The directors confirm that to the best of their knowledge, this unaudited condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

CAUTIONARY STATEMENT

This report is addressed to the shareholders of Britvic plc and has been prepared solely to provide information to them.

This report is intended to inform the shareholders of the group's performance during the 28 weeks to 10 April 2016. This report contains forward-looking statements based on knowledge and information available to the directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward-looking information and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

DIRECTORS

The directors of Britvic plc are:

Gerald Corbett
Simon Litherland
Mathew Dunn
Joanne Averiss
Sue Clark
John Daly
Ben Gordon
Ian McHoul
Euan Sutherland

By order of the board

Simon Litherland
Chief Executive Officer

Mathew Dunn
Chief Financial Officer

Date: 18 May 2016

BRITVIC PLC

INDEPENDENT REVIEW REPORT TO BRITVIC PLC

Introduction

We have been engaged by Britvic plc (the ‘company’) to review the condensed set of financial statements in the interim financial report for the 28 weeks ended 10 April 2016 which comprises the consolidated income statement, consolidated statement of comprehensive income/(expense), consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity and the related notes 1 to 18. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the 28 weeks ended 10 April 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Birmingham

Date: 18 May 2016

CONSOLIDATED INCOME STATEMENT
For the 28 weeks ended 10 April 2016

		28 weeks ended 10 April 2016 (unaudited)			28 weeks ended 12 April 2015 (unaudited)			52 weeks ended 27 September 2015 (audited)		
	Note	Before exceptional & other items £m	Exceptional & other items* £m	Total £m	Before exceptional & other items £m	Exceptional & other items* £m	Total £m	Before exceptional & other items £m	Exceptional & other items* £m	Total £m
Revenue	6	678.0	-	678.0	650.3	-	650.3	1,300.1	-	1,300.1
Cost of sales		(313.1)	-	(313.1)	(294.3)	-	(294.3)	(581.4)	-	(581.4)
Gross profit		**364.9**	-	**364.9**	**356.0**	-	**356.0**	**718.7**	-	**718.7**
Selling and distribution costs		(198.9)	-	(198.9)	(186.0)	-	(186.0)	(355.6)	-	(355.6)
Administration expenses		(100.6)	1.4	(99.2)	(106.8)	(1.9)	(108.7)	(194.1)	(12.4)	(206.5)
Operating profit/(loss)		**65.4**	**1.4**	**66.8**	**63.2**	**(1.9)**	**61.3**	**169.0**	**(12.4)**	**156.6**
Finance income		1.2	0.3	1.5	0.2	0.6	0.8	0.3	3.6	3.9
Finance costs		(12.1)	(2.3)	(14.4)	(12.4)	-	(12.4)	(22.3)	(0.6)	(22.9)
Profit/(loss) before tax		**54.5**	**(0.6)**	**53.9**	**51.0**	**(1.3)**	**49.7**	**147.0**	**(9.4)**	**137.6**
Taxation	8	(12.8)	(0.5)	(13.3)	(12.0)	0.2	(11.8)	(34.5)	0.7	(33.8)
Profit/(loss) for the period attributable to the equity shareholders		**41.7**	**(1.1)**	**40.6**	**39.0**	**(1.1)**	**37.9**	**112.5**	**(8.7)**	**103.8**
Earnings per share										
Basic earnings per share	9			15.5p			15.3p			41.8p
Diluted earnings per share	9			15.4p			15.3p			41.2p
Adjusted basic earnings per share**	9			17.3p			16.4p			46.3p
Adjusted diluted earnings per share**	9			17.2p			16.3p			45.7p

* See note 7.

** Adjusted basic and diluted earnings per share measures have been adjusted by adding back exceptional and other items (see note 7) and amortisation of acquisition related intangible assets. This reconciliation is shown in note 9.

All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(EXPENSE)
For the 28 weeks ended 10 April 2016

	Note	28 weeks ended 10 April 2016 (unaudited) £m	28 weeks ended 12 April 2015 (unaudited) £m	52 weeks ended 27 September 2015 (audited) £m
Profit for the period attributable to the equity shareholders		40.6	37.9	103.8
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement (losses)/gains on defined benefit pension schemes	17	(36.1)	(6.4)	3.2
Deferred tax on defined benefit pension schemes		5.2	(1.1)	(3.7)
Current tax on additional pension contributions		3.0	3.1	3.1
		(27.9)	(4.4)	2.6
Items that may be subsequently reclassified to profit or loss				
Gains in the period in respect of cash flow hedges	15	26.1	34.2	10.1
Amounts recycled to the income statement in respect of cash flow hedges	15	(22.6)	(34.0)	(22.1)
Amounts recycled to goodwill on acquisition of subsidiary	10	10.2	-	-
Tax recycled to goodwill on acquisition of subsidiary	10	(2.0)	-	-
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve		(0.5)	(0.3)	2.5
Exchange differences on translation of foreign operations	15	16.4	(0.8)	(1.5)
Tax on exchange differences accounted for in the translation reserve		1.9	(0.7)	-
		29.5	(1.6)	(11.0)
Other comprehensive income/(expense) for the period net of tax		1.6	(6.0)	(8.4)
Total comprehensive income for the period attributable to the equity shareholders		**42.2**	**31.9**	**95.4**

CONSOLIDATED BALANCE SHEET
As at 10 April 2016

	Note	10 April 2016 (unaudited) £m	12 April 2015 (unaudited) £m	27 September 2015 (audited) £m
Assets				
Non-current assets				
Property, plant and equipment	11	299.5	213.8	244.2
Intangible assets	11	387.3	281.3	305.1
Other receivables		2.9	2.9	2.4
Derivative financial instruments	15	76.9	125.9	90.4
Deferred tax assets		2.9	-	-
Pension asset	17	13.6	14.0	22.4
		783.1	**637.9**	664.5
Current assets				
Inventories		111.9	91.9	86.7
Trade and other receivables		316.7	285.2	293.9
Current income tax receivables		2.7	-	-
Derivative financial instruments	15	57.1	3.5	10.9
Cash and cash equivalents		66.8	56.7	239.6
		555.2	**437.3**	**631.1**
Non-current assets held for sale		2.8	0.8	3.5
Total assets		**1,341.1**	**1,076.0**	**1,299.1**
Current liabilities				
Trade and other payables		(401.9)	(345.0)	(417.4)
Interest-bearing loans and borrowings	12	(161.2)	(3.9)	(2.9)
Derivative financial instruments	15	(0.9)	(4.1)	(13.8)
Current income tax payable		(10.8)	(22.8)	(24.0)
Provisions		(0.4)	(2.9)	(1.3)
Other current liabilities		(2.4)	-	-
		(577.6)	**(378.7)**	**(459.4)**
Non-current liabilities				
Interest-bearing loans and borrowings	12	(455.0)	(594.5)	(572.4)
Deferred tax liabilities		(48.2)	(20.2)	(46.4)
Pension liability	17	(10.7)	(7.5)	(5.1)
Derivative financial instruments	15	(0.8)	(0.1)	(1.3)
Provisions		(1.5)	(1.3)	(1.2)
Other non-current liabilities	10	(27.3)	(1.5)	(1.5)
		(543.5)	**(625.1)**	**(627.9)**
Total liabilities		**(1,121.1)**	**(1,003.8)**	**(1,087.3)**
Net assets		**220.0**	**72.2**	**211.8**
Capital and reserves				
Issued share capital	13	52.5	49.6	52.2
Share premium account		128.0	37.7	123.2
Own shares reserve		(2.1)	(12.1)	(11.4)
Hedging reserve		3.1	1.3	(8.1)
Translation reserve		33.2	14.9	14.9
Capital reserve		0.2	-	-
Merger reserve		87.3	87.3	87.3
Retained losses		(82.2)	(106.5)	(46.3)
Total equity		**220.0**	**72.2**	**211.8**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the 28 weeks ended 10 April 2016

	Note	28 weeks ended 10 April 2016 (unaudited)	28 weeks ended 12 April 2015 (unaudited)	52 weeks ended 27 September 2015 (audited)
		£m	£m	£m
Cash flows from operating activities				
Profit before tax		53.9	49.7	137.6
Finance costs		12.9	11.6	19.0
Other financial instruments		(6.9)	(0.2)	3.9
Impairment of property, plant and equipment and intangible assets		-	0.1	0.1
Depreciation		17.0	16.3	29.9
Amortisation		8.3	5.8	11.1
Share-based payments		5.2	5.8	10.6
Net pension charge less contributions		(22.6)	(20.8)	(22.2)
Increase in inventory		(6.7)	(10.2)	(4.4)
Decrease/(increase) in trade and other receivables		1.8	(14.1)	(21.5)
(Decrease)/increase in trade and other payables		(44.5)	(17.6)	36.1
Decrease in provisions		(0.9)	(1.3)	(3.1)
Loss/(profit) on disposal of tangible and intangible assets		0.7	(0.7)	-
Income tax paid		(19.6)	(16.2)	(30.2)
Net cash flows from operating activities		**(1.4)**	**8.2**	**166.9**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		0.7	4.0	4.1
Purchase of property, plant and equipment		(43.3)	(19.5)	(54.1)
Purchase of intangible assets		(4.0)	(3.0)	(7.0)
Interest received		1.2	-	-
Acquisition of subsidiary, net of cash acquired	10	(41.2)	-	-
Net cash flows used in investing activities		**(86.6)**	**(18.5)**	**(57.0)**
Cash flows from financing activities				
Interest paid, net of derivative financial instruments		(12.2)	(11.2)	(21.6)
Interest-bearing loans repaid	12	(34.3)	(0.7)	(0.9)
Repayment of 2009 USPP Notes	12	-	(18.0)	(18.0)
Issue costs paid		-	(2.2)	(2.2)
Issue of shares relating to incentive schemes for employees		5.1	3.0	3.7
Issue of shares under a non pre-emptive placing, net of costs		(1.3)	-	87.8
Purchase of own shares		(1.6)	(10.6)	(9.2)
Dividends paid to equity shareholders	14	(42.6)	(36.4)	(52.9)
Net cash flows used in financing activities		**(86.9)**	**(76.1)**	**(13.3)**
Net (decrease)/increase in cash and cash equivalents		**(174.9)**	**(86.4)**	**96.6**
Cash and cash equivalents at beginning of period		239.6	143.3	143.3
Exchange rate differences		2.1	(0.2)	(0.3)
Cash and cash equivalents at the end of the period		**66.8**	**56.7**	**239.6**
By balance sheet category:				
Cash and cash equivalents		66.8	56.7	239.6
		66.8	**56.7**	**239.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 28 weeks ended 10 April 2016

	Issued share capital	Share premium account	Own shares reserve	Hedging reserve	Translation reserve	Capital reserve	Merger reserve	Retained losses	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 27 September 2015 (audited)	52.2	123.2	(11.4)	(8.1)	14.9	-	87.3	(46.3)	211.8
Profit for the period	-	-	-	-	-	-	-	40.6	40.6
Other comprehensive income/(expense)	-	-	-	11.2	18.3	-	-	(27.9)	1.6
Total comprehensive income	-	-	-	11.2	18.3	-	-	12.7	42.2
Issue of shares	0.3	4.8	(1.1)	-	-	-	-	-	4.0
Own shares purchased for share schemes	-	-	(1.6)	-	-	-	-	-	(1.6)
Own shares utilised for share schemes	-	-	12.0	-	-	-	-	(11.5)	0.5
Movement in share-based schemes	-	-	-	-	-	-	-	4.9	4.9
Current tax on share-based payments			-	-	-	-	-	1.7	1.7
Deferred tax on share-based payments	-	-	-	-	-	-	-	(0.9)	(0.9)
Movement in non-distributable profit	-	-	-	-	-	0.2	-	(0.2)	-
Payment of dividend	-	-	-	-	-	-	-	(42.6)	(42.6)
At 10 April 2016 (unaudited)	**52.5**	**128.0**	**(2.1)**	**3.1**	**33.2**	**0.2**	**87.3**	**(82.2)**	**220.0**

	Issued share capital	Share premium account	Own shares reserve	Hedging reserve	Translation reserve	Merger reserve	Retained losses	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 28 September 2014 (audited)	49.4	33.5	(2.9)	1.4	16.4	87.3	(102.0)	83.1
Profit for the period	-	-	-	-	-	-	37.9	37.9
Other comprehensive expense	-	-	-	(0.1)	(1.5)	-	(4.4)	(6.0)
Total comprehensive income/(expense)	-	-	-	(0.1)	(1.5)	-	33.5	31.9
Issue of shares	0.2	4.2	(2.1)	-	-	-	-	2.3
Own shares purchased for share schemes	-	-	(13.4)	-	-	-	-	(13.4)
Own shares utilised for share schemes	-	-	6.3	-	-	-	(5.6)	0.7
Movement in share-based schemes	-	-	-	-	-	-	4.5	4.5
Current tax on share-based payments	-	-	-	-	-	-	0.2	0.2
Deferred tax on share-based payments	-	-	-	-	-	-	(0.7)	(0.7)
Payment of dividend	-	-	-	-	-	-	(36.4)	(36.4)
At 12 April 2015 (unaudited)	**49.6**	**37.7**	**(12.1)**	**1.3**	**14.9**	**87.3**	**(106.5)**	**72.2**

NOTES TO THE FINANCIAL INFORMATION
For the 28 weeks ended 10 April 2016

1. General Information

Britvic plc (the 'company', the 'group') is a public limited company, incorporated and domiciled in the United Kingdom. The address of the registered office is: Britvic plc, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

The company is listed on the London Stock Exchange.

These interim financial statements do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. They have been reviewed but not audited by the group's auditor. The statutory accounts for Britvic plc for the 52 weeks ended 27 September 2015, which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union, have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified and did not contain a statement made under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements were authorised for issue by the board of directors on 18 May 2016.

2. Basis of preparation

These interim financial statements comprise the consolidated balance sheet as at 10 April 2016 and related consolidated income statement, consolidated statement of cash flows, consolidated statement of comprehensive income/(expense), consolidated statement of changes in equity and the related notes 1 to 18 for the 28 weeks then ended of Britvic plc ('financial information'). This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

3. Going concern

The directors are confident that it is appropriate for the going concern basis to be adopted in preparing the interim report and financial statements. As at 10 April 2016, the consolidated balance sheet reflects a net assets position of £220.0m. The liquidity of the group remains strong supported by £612.6m of private placement notes with maturity dates between 2016 and 2026. In addition, the group has a £400.0m bank facility with a maturity date of November 2020. Details are provided in the group's 2015 annual report.

Group retained reserves are low due to the capital restructuring undertaken at the time of flotation. This does not impact on Britvic plc's ability to meet payments as they fall due or to make dividend payments.

4. Accounting policies

This financial information has been prepared using the accounting policies as set out in pages 84 - 91 of the group's 2015 annual report.

During the period, the group adopted a number of interpretations and amendments to standards which had an immaterial impact on the consolidated financial statements of the group.

5. Seasonality of operations

Due to the seasonal nature of the business, higher operating profits are usually expected in the second half of the year than in the first 28 weeks.

6. Segmental reporting

For management purposes, the group is organised into business units. During the current year following the purchase of a subsidiary in Brazil (see note 10), management intends to report Brazil as a separate reportable segment and now has six reportable segments as follows:

- GB Stills – United Kingdom excluding Northern Ireland
- GB Carbs – United Kingdom excluding Northern Ireland
- Ireland – including Northern Ireland
- France
- Brazil
- International

These business units sell soft drinks into their respective markets.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on brand contribution. This is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to reportable segments.

Transfer prices between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

28 weeks ended 10 April 2016	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	Brazil £m	International £m	Total £m
Revenue	147.7	293.8	**441.5**	62.9	108.6	44.1	20.9	**678.0**
Brand contribution	69.7	117.7	**187.4**	21.5	31.5	9.1	3.9	**253.4**
Non-brand advertising & promotion *								(6.5)
Fixed supply chain**								(50.2)
Selling costs**								(62.2)
Overheads and other costs*								(69.1)
Operating profit before exceptional and other items								**65.4**
Net finance costs before exceptional and other items								(10.9)
Exceptional and other items								(0.6)
Profit before tax								**53.9**

28 weeks ended 12 April 2015	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	International £m	Total £m
Revenue	160.3	286.8	**447.1**	61.7	118.5	23.0	**650.3**
Brand contribution	76.2	113.1	**189.3**	22.1	34.0	8.0	**253.4**
Non-brand advertising & promotion *							(5.4)
Fixed supply chain**							(49.3)
Selling costs**							(64.0)
Overheads and other costs*							(71.5)
Operating profit before exceptional and other items							**63.2**
Net finance costs before exceptional and other items							(12.2)
Exceptional and other items							(1.3)
Profit before tax							**49.7**

52 weeks ended 27 September 2015	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	International £m	Total £m
Revenue	321.6	565.7	**887.3**	120.4	240.3	52.1	**1,300.1**
Brand contribution	151.1	225.1	**376.2**	44.2	75.6	16.9	**512.9**
Non-brand advertising & promotion *							(9.7)
Fixed supply chain **							(92.6)
Selling costs **							(118.6)
Overheads and other costs *							(123.0)
Operating profit before exceptional and other items							**169.0**
Net finance costs before exceptional and other items							(22.0)
Exceptional and other items							(9.4)
Profit before tax							**137.6**

* Included within 'Administration expenses' in the consolidated income statement. 'Overheads and other costs' relate to central expenses including salaries, IT maintenance, depreciation and amortisation.

** Included within 'Selling and distribution costs' in the consolidated income statement.

There has not been a material change to segmental assets and liabilities with the exception of the acquisition of Brazil (see note 10).

7. Exceptional and other items

Exceptional and other items are those items of financial performance that management believe should be separately disclosed by virtue of the nature and infrequency of the events giving rise to them to allow shareholders to understand better the elements of financial performance in the period so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

	Note	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
Cost in relation to the integration of subsidiary	(a)	(2.6)	-	-
Cost in relation to the acquisition of subsidiary	(a)	-	-	(6.5)
Gain on disposal of previously impaired assets		-	0.4	0.4
Gain on held for sale property in Britvic Ireland		-	0.8	0.8
Strategic restructuring – cost initiatives	(b)	(0.5)	(3.3)	(3.6)
Strategic restructuring – business capability programme	(c)	(0.9)	-	(1.4)
Fair value movements	(d)	5.4	0.2	(2.1)
Total included in administration expenses		**1.4**	**(1.9)**	**(12.4)**
Fair value movements	(d)	0.3	0.6	3.6
Total included in finance income		**0.3**	**0.6**	**3.6**
Fair value movements	(d)	(0.3)	**-**	(0.6)
Unwind of discount on deferred consideration	(e)	(1.5)	**-**	-
Debt repayment charges	(f)	(0.5)	**-**	-
Total included in finance costs		**(2.3)**	**-**	**(0.6)**
Total exceptional and other items before tax		**(0.6)**	**(1.3)**	**(9.4)**

a) Costs relating to the acquisition and integration of Empresa Brasileira de Bebidas e Alimentos SA (Ebba). Primarily these costs relate to employee costs, travel costs and advisors fees (see note 10).

b) Strategic restructuring - cost initiatives relate to the continuation of cost initiatives announced in May 2013, following the closure of two factories in Britvic GB and subsequent reorganisation.

c) Strategic restructuring - business capability programme relates to a restructuring of supply chain to enhance commercial capabilities in Britvic GB.

d) Fair value movements relate to the fair value movement of derivative financial instruments where either hedge accounting cannot be applied to future transactions or where there is ineffectiveness in the hedge relationship.

e) Included in the consideration for Ebba is an amount due in September 2017 (see note 10). This amount has been included on acquisition discounted to net present value. The unwind of this discount until September 2017 is shown as exceptional costs.

f) Debt repayment charges were incurred on the repayment of acquired debt in Ebba (see note 10).

Details of the tax implications of exceptional items are given in note 8.

8. Taxation

The tax charge not including tax on exceptional and other items is £12.8m (28 weeks ended 12 April 2015: £12.0m) which equates to an effective tax rate 23.5% (28 weeks ended 12 April 2015: 23.5%).

Included in the total tax charge for the 28 weeks ended 10 April 2016 is a tax charge on exceptional and other items of £0.5m (28 weeks ended 12 April 2015: £0.2m credit).

Tax charge by region

	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
UK	10.6	10.4	23.7
Foreign	2.7	1.4	10.1
Total tax charge in the consolidated income statement	**13.3**	**11.8**	**33.8**

Analysis of tax charge

	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
Current income tax charge	10.5	14.5	32.5
Deferred income tax charge/(credit)	2.8	(2.7)	1.3
Total tax charge in the consolidated income statement	**13.3**	**11.8**	**33.8**

9. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to the equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that are potentially issuable in connection with employee share-based payment plans.

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
Basic earnings per share			
Profit for the period attributable to the equity shareholders	40.6	37.9	103.8
Weighted average number of ordinary shares in issue for basic earnings per share	261.1	247.3	248.6
Basic earnings per share	**15.5p**	**15.3p**	41.8p
Diluted earnings per share			
Profit for the period attributable to the equity shareholders	40.6	37.9	103.8
Effect of dilutive potential ordinary shares – share schemes	2.5	1.2	3.1
Weighted average number of ordinary shares in issue for diluted earnings per share	263.6	248.5	251.7
Diluted earnings per share	**15.4p**	**15.3p**	**41.2p**

The group presents as exceptional and other items on the face of the consolidated income statement, those significant items of income and expense which, because of the nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

To this end, basic and diluted earnings per share are also presented on this basis with the amortisation of acquisition related intangible assets also added back using the weighted average number of ordinary shares for both basic and diluted amounts as per the tables below.

	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders	40.6	37.9	103.8
Add: Net impact of exceptional and other items	1.1	1.1	8.7
Add: Intangible assets amortisation (acquisition related)	3.6	1.5	2.6
	45.3	40.5	115.1
Weighted average number of ordinary shares in issue for adjusted basic earnings per share	261.1	247.3	248.6
Adjusted basic earnings per share	**17.3p**	**16.4p**	**46.3p**
Adjusted diluted earnings per share			
Profit for the period attributable to equity shareholders before exceptional and other items and acquisition related intangible assets amortisation	45.3	40.5	115.1
Weighted average number of ordinary shares in issue for adjusted diluted earnings per share	263.6	248.5	251.7
Adjusted diluted earnings per share	**17.2p**	**16.3p**	**45.7p**

10. Acquisition of subsidiary

On 30 September 2015, the group acquired 100% of the issued share capital of Empresa Brasileira de Bebidas e Alimentos SA (Ebba), a leading soft drinks company in Brazil. The acquisition is in line with the strategic direction of the group, specifically to pursue international expansion by capitalising on global opportunities in the kids, family and adult categories, where Britvic has the leading brands in its core markets.

The initial fair value/acquisition accounting has been determined provisionally. There is an ongoing review by management of contingent liabilities, in light of the complex regulatory environment in Brazil. This exercise involves an assessment of likelihood and value of each contingent liability and will be completed in the second half of the year. The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	£m
Property, plant and equipment	19.2
Intangible assets	38.6
Other non-current assets	0.1
Deferred tax assets	2.4
Inventory	12.4
Trade and other current receivables	11.1
Provision for bad and doubtful debts	(0.6)
Current tax assets	2.0
Cash and cash equivalents	1.4
Total assets	**86.6**
Trade and other current payables	(9.1)
Interest bearing loans and borrowings	(33.5)
Provisions	(0.2)
Other non-current liabilities	(2.9)
Total liabilities	**(45.7)**
Total identifiable net assets	**40.9**
Goodwill	18.8
Total consideration	**59.7**

Satisfied by:	
Cash	42.6
Deferred consideration (discounted)	19.1
Tax receivable	(2.0)
Total consideration	**59.7**

Net cash outflow arising on acquisition:	
Cash consideration	42.6
Less: cash and cash equivalent balances acquired	(1.4)
Total consideration transferred	**41.2**

The consideration for the acquisition comprises an initial cash consideration of £32.4m (BR$193.8m) and the cost of foreign exchange forwards taken out to hedge the purchase of the company of £10.2m less £2.0m tax receivable in relation to the foreign exchange forwards. The deferred consideration of £25.4m (BR$152.2m) is due on 30 September 2017 and is included in the consolidated balance sheet in other non-current liabilities. In addition there was a repayment of Ebba debt of £32.1m (BR$192.5m) subsequent to acquisition*.

Included in goodwill are certain intangible assets that cannot be individually separated and reliably measured due to their nature. These items include the assembled workforce and the market presence which Ebba has in the Brazilian market that Britvic can use to exploit the potential of its global brands.

From the date of acquisition to 10 April 2016, the acquired business contributed £44.1m to revenue and £9.1m to brand contribution for the period. Due to the timing of the acquisition on 30 September 2015, the revenue and contribution for the period is materially the same as if Ebba had been completed on the first day of the financial period. Foreign exchange gains of £3.4m on goodwill have been recognised in the consolidated statement of other comprehensive income in the period to 10 April 2016.

Integration related costs of £2.6m have been incurred in the current period. These have been included within exceptional and other items (see note 7).

* All £ amounts are at the £:BR$ rate prevailing at the acquisition date of 30 September 2015.

11. Property, plant and equipment and Intangible assets

During the 28 weeks ended 10 April 2016, the group purchased property, plant and equipment with a cost of £42.6m (28 weeks ended 12 April 2015: £15.1m), and intangible assets with a cost of £2.6m (28 weeks ended 12 April 2015: £2.9m). These amounts exclude the assets acquired on the acquisition of Ebba (see note 10).

In addition, other assets with a net book value of £0.7m were disposed of by the group during the 28 weeks ended 10 April 2016 (28 weeks ended 12 April 2015: £0.5m) resulting in a loss on disposal of £0.7m (28 weeks ended 12 April 2015: loss on disposal £0.1m).

12. Interest-bearing loans and borrowings

Components of current and non-current interest-bearing loans and borrowings:

	10 April 2016 £m	12 April 2015 £m	27 September 2015 £m
Finance leases	0.3	0.3	0.2
2007 Notes	206.2	199.5	192.8
2009 Notes	162.0	159.5	151.3
2010 Notes	128.7	124.3	119.8
2014 Notes	115.7	112.9	110.1
Accrued interest	3.8	4.4	3.4
Bank loans	1.9	0.6	0.5
Capitalised issue costs	(2.4)	(3.1)	(2.8)
Total interest-bearing loans and borrowings	**616.2**	**598.4**	**575.3**
Current	161.2	3.9	2.9
Non-current	455.0	594.5	572.4
Total interest-bearing loans and borrowings	**616.2**	**598.4**	**575.3**

Analysis of changes in interest-bearing loans and borrowings:

	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
At the beginning of the period	575.3	562.3	562.3
Loans acquired on acquisition of subsidiary	33.5	-	-
Net loans repaid	(34.3)	(0.7)	(0.9)
Partial repayment of 2009 Notes	-	(18.0)	(18.0)
Issue costs	-	(2.2)	(2.2)
Repayment of finance leases	-	-	(0.1)
Amortisation and write off of issue costs	0.4	0.3	0.7
Net translation loss and fair value adjustment	39.9	55.9	33.7
Net movement in accrued interest	1.4	0.8	(0.2)
At the end of the period	**616.2**	**598.4**	**575.3**
Derivatives hedging balance sheet debt*	(110.4)	(94.0)	(71.8)
Debt translated at contracted rate	**505.8**	**504.4**	**503.5**

* Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in interest bearing loans and borrowings.

13. Issued share capital

The issued share capital is wholly comprised of ordinary shares carrying one voting right each. The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

Issued, called up and fully paid ordinary shares	**No. of shares**	**Value £**
At 28 September 2014	**247,229,115**	**49,445,823**
Shares issued	13,910,737	2,782,147
At 27 September 2015	**261,139,852**	**52,227,970**
Shares issued	1,487,530	297,506
At 10 April 2016	**262,627,382**	**52,525,476**

Of the issued and fully paid ordinary shares, 295,771 shares (27 September 2015: 1,678,637 shares) are own shares held by an employee benefit trust. This equates to £59,231 (27 September 2015: £335,727) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes.

14. Dividends paid and proposed

	28 weeks ended 10 April 2016	28 weeks ended 12 April 2015	52 weeks ended 27 September 2015
Declared and paid in the period			
Dividends per share (pence)	16.3	14.8	21.5
Total dividend (£m)	**42.6**	**36.4**	**52.9**
Proposed after the balance sheet date			
Dividend per share (pence)	7.0	6.7	16.3
Total dividend (£m)	**18.4**	**16.6**	**42.6**

15. Derivatives and hedge relationships

As at 10 April 2016, the group had entered into the following derivative contracts.

	10 April 2016 £m	12 April 2015 £m	27 September 2015 £m
Consolidated balance sheet			
Non-current assets: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	38.9	60.4	44.8
Fair value of GBP euro cross currency floating interest rate swaps [2]	6.2	28.7	24.1
Fair value of USD GBP cross currency floating interest rate swaps [3]	26.8	36.8	21.5
Fair value of forward currency contracts	5.0	-	-
	76.9	**125.9**	**90.4**
Current assets: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	32.7	-	3.4
Fair value of GBP euro cross currency floating interest rate swaps [2]	5.3	-	1.1
Fair value of USD GBP cross currency floating interest rate swaps [3]	13.0	-	4.6
Fair value of forward currency contracts[1]	5.9	3.3	1.8
Fair value of foreign exchange swaps	0.2	0.2	-
	57.1	**3.5**	**10.9**
Current liabilities: Derivative financial instruments			
Fair value of GBP euro cross currency fixed interest rate swaps [2]	(0.2)	-	-
Fair value of forward currency contracts[1]	(0.3)	(2.7)	(10.9)

Fair value of forward currency contracts	-	-	(1.3)
Fair value of foreign exchange swaps	(0.2)	(0.2)	(1.3)
Fair value of interest rate swaps	-	(1.2)	(0.3)
Fair value of equity forwards	(0.2)	-	-
	(0.9)	**(4.1)**	**(13.8)**

Non-current liabilities: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	-	-	(0.3)
Fair value of GBP euro cross currency fixed interest rate swaps [2]	(0.5)	-	-
Fair value of equity forwards	(0.3)	(0.1)	(1.0)
	(0.8)	**(0.1)**	**(1.3)**

[1] Instruments designated as part of a cash flow hedge relationship

[2] Instruments designated as part of a net investment hedge relationship

[3] Instruments designated as part of a fair value hedge relationship

Changes to derivative contracts

There have been no significant changes to derivative contracts designated as part of hedge relationships in the period. The derivatives and the hedge relationships are described in more detail on pages 118 to 120 in the group's annual report for the 52 weeks ended 27 September 2015.

Impact of derivatives and hedge relationships on the consolidated statement of comprehensive income/(expense)

	28 weeks ended 10 April 2016 £m	28 weeks ended 12 April 2015 £m	52 weeks ended 27 September 2015 £m
Consolidated statement of comprehensive income/(expense)			
Amounts recycled to the income statement in respect of cash flow hedges			
Forward currency contracts*	1.7	(0.3)	(0.7)
Cross currency interest rate swaps**	(24.3)	(33.7)	(21.4)
	(22.6)	**(34.0)**	**(22.1)**
Amounts recycled to goodwill in respect of cash flow hedges			
Forwards currency contracts	10.2	-	-
	10.2	**-**	**-**
Gains/(losses) in the period in respect of cash flow hedges			
Forward currency contracts	2.8	1.2	(8.2)
Cross currency interest rate swaps	23.3	33.0	18.3
	26.1	**34.2**	**10.1**
Exchange differences on translation of foreign operations			
Movement on cross currency interest rate swaps	(14.4)	13.8	10.2
Exchange movements on translation of foreign operations	30.8	(14.6)	(11.7)
	16.4	**(0.8)**	**(1.5)**

* Offsetting amounts recorded in cost of sales

** Offsetting amounts recorded in finance costs

16. Fair value

Hierarchy

The group uses the following valuation hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

10 April 2016	Assets £m	Liabilities £m
Level 1	-	-
Level 2 - Derivatives used for hedging	128.8	(1.0)
- Financial instruments at fair value through profit or loss	5.2	(0.7)
- Fair value of fixed rate borrowings	-	(639.5)
Level 3	-	-
Total	**134.0**	**(641.2)**

Fair values of financial assets and financial liabilities

The most frequently applied valuation techniques include using present value calculations of forward pricing and swap models.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. Non-derivative financial liabilities are carried at amortised cost.

All derivatives are valued using valuation techniques with market observable inputs; this covers cross currency interest rate swaps, interest rate swaps, FX forwards, FX swaps and share swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. In assessing the fair value of derivatives the non-performance risk of both Britvic and its derivative trading counterparties has been taken into consideration. Default credit risk has been measured and the potential impact on derivatives valuations quantified. As at 10 April 2016, the potential impact from non-performance risk on the fair value of the derivatives portfolio is not material.

As in the prior year, the carrying value of financial assets and liabilities (trade and other receivables, cash and cash equivalents, interest bearing loans and borrowings, trade and other payables and derivatives) are considered to be reasonable approximations of their fair values, except for fixed rate borrowings which, at 10 April 2016, have a book value of £616.2m (27 September 2015: £575.3m) compared to a fair value £639.5m (27 September 2015: £596.8m).

The fair value of the group's fixed rate interest-bearing borrowings and loans are determined by using discounted cash flow methods using discount rates that reflect the group's borrowing rate as at the end of the reporting period. The own non-performance risk as at 10 April 2016 was assessed to be insignificant.

17. Pensions

At 10 April 2016, Britvic plc has IAS 19 pension surpluses in GB and NI totalling £13.6m and IAS 19 pension deficits in ROI and France totalling £10.7m resulting in a net pension surplus of £2.9m (27 September 2015: net surplus of £17.3m). The net surplus has decreased primarily due to changes in the financial assumptions partially offset by additional employer contributions made to the GB plan of £20.0m.

The defined benefit section of the GB plan was closed to new members on 1 August 2002, and closed to future accrual for active members from 1 April 2011, with new members being invited to join the defined contribution scheme. The 31 March 2013 actuarial valuation of this plan was completed in June 2014 without committing additional employer contributions as the plan's funding level had improved since the 2010 actuarial valuation. The actuarial valuation as at 31 March 2016 is currently underway.

18. Capital commitments

At 10 April 2016, the group has commitments of £42.0m (27 September 2015: £8.9m) relating to the acquisition of property, plant and equipment, which primarily relates to plant and machinery for the business capability programme in GB.