Britvic plc Preliminary Results – 29 November 2018

For the 52 weeks ended 30 September 2018.

"Another strong performance driven by the continued execution of our strategy"

Group Financial Headlines:

- Revenue increased 5.1% to £1,503.6m with organic revenue** up 2.7%
- Adjusted EBIT increased 5.4% with organic adjusted EBIT* up 4.0% to £206.0m
- Organic adjusted EBIT margin* increased 10bps
- Profit after tax increased 4.9% to £117.1m
- Adjusted earnings per share* increased 6.4% to 56.3p and the full year dividend increased 6.4%

Strategic highlights:

- Positive volume and price/mix delivering balanced revenue growth
- Successfully navigating soft drinks levy, underpinned by strength of low/no sugar portfolio
- GB stills revenue in growth and Pepsi, led by MAX, continued to gain share
- Revenue from Britvic brand innovation at an all-time high
- Successfully managed the carbon dioxide shortage in GB and Ireland and market challenges in France
- Robust performance in Brazil despite challenging macro-economic conditions, Bela Ischia synergies delivered
- Business Capability Programme on-track, contributing to continued margin expansion

	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m Restated	% change Actual Exchange Rate	% change Organic Constant Exchange Rate (ex-SDIL/SSDT) **
Revenue	**1,503.6**	1,430.5	5.1%	2.7%
Adjusted EBIT*	**206.0**	195.5	5.4%	4.0%
Adjusted EBIT margin*	**13.7%**	13.7%	0bps	10bps
Profit after tax	**117.1**	111.6	4.9%	
Basic EPS	**44.4p**	42.4p	4.7%	
Adjusted EPS*	**56.3p**	52.9p	6.4%	
Full year dividend per share	**28.2p**	26.5p	6.4%	
Adjusted net debt/EBITDA	**2.2x**	2.0x	(0.2) x	

*In the current period acquisition related amortisation has been included within adjusting items in order to simplify the Group's financial reporting. This has resulted in adjusted EBIT replacing adjusted EBITA as one of the Group's KPIs. This however in practice has no impact on the amounts reported due to the reclassification of acquisition related amortisation. Throughout this report, where relevant, 2017 comparatives have been restated for IFRS15: Revenue from contracts with customers. Full details of this restatement can be found on pages 27 to 28. * Items marked with an asterisk throughout this document are non-GAAP measures, definitions and relevant reconciliations are provided in the Glossary on page 10 and pages 29 to 31. ** Organic constant exchange rate adjusts for constant currency, the impact of Bela Ischia for the period to 2 March 2018 and excludes the Soft Drinks Industry Levy (SDIL) in GB and the Sugar Sweetened Drinks Tax (SSDT) in Ireland. Detailed adjustments are shown on page 30.*

Simon Litherland, Chief Executive Officer commented:

"We have delivered a strong performance in a challenging environment, with good revenue, margin and earnings growth. I am delighted that we have grown our stills brands, demonstrating that our investment in innovation and marketing is beginning to pay off. The investment in the transformational business capability programme is now nearing completion and is already delivering significant efficiency and commercial benefits. Free cash flow will increase materially in 2019 as capital spend falls back towards normal levels.

Britvic has consistently demonstrated that we are a strong, agile business, operating in a resilient category. In 2019 we have exciting plans for our portfolio of leading brands across our markets. Whilst political and economic uncertainty will undoubtedly continue, we are confident we will continue our long-term track record of growing earnings, dividends and shareholder value."

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There will be a live webcast of the presentation given today at 09:30am 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.

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 Fruit Shoot, Robinsons, Tango, J2O, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Lipton Ice Tea 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 Pressade 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 29 September 2018. ROI take-home market data referred to is supplied by Nielsen and runs to 9 September 2018. French market data is supplied by IRI and runs to 16 September 2018.

Next scheduled announcement

Britvic will publish its quarter one trading statement on 31 January 2019.

Chief Executive Officer's Strategic Review

This year we have delivered another strong financial performance in a challenging environment and we have continued to progress our long-term strategic goals. During the year we faced numerous headwinds, including the introduction of the SDIL, disruption from the temporary shortage of carbon dioxide (CO_2) in GB and Ireland during a period of prolonged hot weather, and the impact of multiple business failures in our customer base. Against this backdrop, our results are even more impressive and demonstrate the resilience of the business, the strength of our broad portfolio, the quality of our team and the strong relationships we have with our customers and partners.

With balanced revenue growth and margin improvement, we have grown adjusted EBIT 5.4% to £206m. Since launching the strategy in 2013 we have delivered adjusted earnings per share CAGR of 9.8%, a dividend per share CAGR of 8.9% and total shareholder returns significantly ahead of both the FTSE100 and FTSE250.

Below I will headline our performance against our four strategic pillars:

Generate profitable growth in our core markets

GB

In a turbulent market we have successfully executed our commercial plans, growing our carbonates and stills portfolios and gaining market value share. The GB soft drinks market (as measured by Nielsen) has continued to grow this year, in both volume and value, with the second half of the year particularly strong, benefiting from the exceptional summer weather. As we anticipated, the introduction of the SDIL and our transparent approach of differential pricing has accelerated the consumer trend of switching away from higher sugar drinks into low and no sugar alternatives. This has benefited our broad portfolio of low and no sugar brands, with Pepsi MAX, Robinsons, 7UP Free, J2O and Tango all in revenue growth. We remain confident in our approach to the levy and believe the continued evolution of consumer trends offer us further opportunities for growth.

This year, we leveraged the strength of the Robinsons brand with the introduction of new premium ranges, Creations and Cordials. These have been a success, growing both the brand and the squash category. We have also gained market share and expanded penetration by increasing the number of households buying the brand. J2O has benefited from an upweighted marketing campaign, increased feature and display in store and growth in the sparkling Spritz variant. Fruit Shoot declined this year, primarily due to continued competitive pressure and a decision to focus on value by reducing the number of price promotions. As part of our ongoing brand rejuvenation plan, we have launched a new 50% juice variant, called 'Juiced', that is all natural and has school compliance accreditation, and a sparkling water variant. We also maintained our focus on increasing our presence in categories that are small today but offer long-term growth potential, including the launch of Aqua Libra, a sparkling unsweetened flavoured water, and we continued to invest in Purdey's, our natural energy offering.

We highlighted in our third quarter trading statement that performance in the second half of the year was disrupted by the shortage of CO_2 across Western Europe, which limited the production of carbonated soft drinks. We were unable to capitalise fully on the hot weather in July and August as we navigated the CO_2 shortage, but have now successfully recovered, as evidenced by Pepsi regaining significant market share in September.

France

It has been a challenging year in France. The soft drinks market (as measured by IRI) declined, with poor weather having a significant impact on the syrups category. The majority of our revenue decline was in private label sales, while the revenue from our branded syrups range and Fruit Shoot brand saw a more modest reduction and a corresponding loss of market share, in the face of intense competition. Pressade, our juice brand, continued to grow, building on its organic credentials.

We continued to focus on growing margins and bringing to market new ranges to meet evolving consumer needs. We recently launched a premium Teisseire syrup range, 'Fraîcheur de Fruits', that has 85% juice and less added sugar, to broaden the appeal of our syrups to more consumers. In the kids' category, we have also launched Fruit Shoot 'Au-Jus', a 50% juice variant that follows the launch of 'Juiced' in GB.

Ireland

Our strong market position and broad portfolio of low and no sugar brands have delivered another strong financial performance, despite a shortage of CO_2 and the introduction of the Sugar Sweetened Drinks Tax (SSDT). Successful revenue management and positive pack mix has resulted in robust price realisation and has also driven excellent market value share growth, led by our squash brands and Ballygowan water. The incremental benefit of the East Coast wholesale acquisition was fully realised in the first half of the year. This acquisition has enabled us to accelerate the distribution of Britvic brands in the growing Dublin on-trade sector.

Realise global opportunities in kids, family and adult categories

In Brazil we have continued to invest for the long term, against a backdrop of macro uncertainty and a difficult consumer environment, including the national truckers' strike in the third quarter. The Bela Ischia acquisition is now integrated and delivering synergies ahead of guidance, and it has enabled us to expand both market and channel coverage. Our focus on the longer-term opportunity is being realised by leveraging our group capability and range. We continue to roll out Fruit Shoot into new regions, and we have recently launched a new concentrate solution, Maguary Uno, to broaden the brand's consumer base by increasing ease of use and affordability.

In the USA we have focused on improving the visibility and on-shelf position of Fruit Shoot multipack to drive rate of sale and brand awareness, and we have also increased our distribution. We expanded the range with the introduction of Hydro and Hydro sparkling water, which has also helped secure additional shelf space. Fruit Shoot also remains the number two brand in the single serve kids' market. Progress this year has been encouraging and we will continue to pursue the multi-pack opportunity, where scale is essential to achieving sustainable profitability.

In the Benelux markets we have continued to focus on improving the underlying profitability of the business, offering a stronger platform to enable future growth. Teisseire distribution and share has increased in Holland, and we continue to expand the portfolio into adult soft drinks. In the travel sector we absorbed the loss of Monarch Airlines, due to administration, exited unprofitable contracts and secured new, higher margin listings for brands including J2O and Purdey's.

Our portfolio of adult brands gives us a platform to drive premiumisation in the category as well as enabling us to fully participate in the demand for new soft drinks in traditional alcohol-led occasions. It is still very early days in the development of the broader premium adult socialising category, and it will require long-term focus to build brands in this space, especially in the on-trade channel.

Continue to step change our business capability

We are nearing the end of the capital investment phase of the transformational business capability programme (BCP), which will give us a strong platform for growth in the years ahead. Work at the sites in London and Leeds is now finished. In 2019 we will complete the investment in Rugby and close the Norwich site towards the end of the year. This has been a difficult time for the Norwich employees and I want to pay tribute to their continued dedication. In Rugby, we have completed the installation of three new can lines and made good progress with the on-site warehouse, aseptic and PET lines. The dedication of the team enabled us to navigate a challenging year. As well as the planned operational works, the team overcame the temporary shortage of CO2 in GB and Ireland, at the same time as both markets were enjoying exceptionally warm weather. Upon completion, the GB production network will be comprised of three sites located along the spine of the country in London, Rugby and Leeds. This will increase efficiency, reduce road miles, and help accelerate our ability to respond to changing consumer trends with agility and pace by expanding our range of liquids, pack sizes and configurations.

Build trust and respect in our communities

Building trust and respect in our communities continues to be a key part of our strategy and we have made further progress in 2018 through our 'A Healthier Everyday' programme. We have reduced our calories per 250ml serve by 16% this year with absolutely no compromise on taste; a fantastic achievement of which everyone at Britvic is rightly proud.

We continue to take steps to help our employees and our communities thrive. We are proud to have just launched a three-year strategic partnership with Diabetes UK (DUK), where we will contribute to programmes to support children with Type 1 Diabetes and their families through a combination of corporate support and employee donations and volunteering. We are also working with DUK to help our employees take care of their health and wellbeing.

We are delighted to have reduced our carbon emissions relating to production by 14% this year. We also continue to take steps to reduce the impact of our packaging. In 2018 we removed an additional 600 tonnes of primary plastic packaging through light-weighting; trialled the use of recycled PET; and invested in UK recycling infrastructure through choosing to buy domestic Packaging Recovery Notes. We also signed up to the UK Plastic Pact's 2025 targets including achieving 30% recycled PET. We helped engage consumers through our continued support of the 'Keep Scotland Beautiful' anti-littering campaign and encouraged recycling and re-use of plastic at the Wimbledon Championships through our historic sponsorship with Robinsons.

In 2019 we will continue to play our part to increase recycling, reduce littering and help create a circular economy in plastics. We note the Chancellor's proposal to introduce a tax on the manufacture and import of plastic packaging which

contains less than 30% recycled plastic in April 2022. We welcome that the government will also consult on potential reform of producer responsibility and the Resources and Waste Strategy and we will engage constructively in their development of a holistic solution.

Outlook

While political and economic uncertainty will undoubtedly continue, we have consistently demonstrated that we are a strong, agile business, operating in a resilient category. With exciting plans for our portfolio of leading brands across our markets, we are confident of continuing to make further progress in the coming year.

Chief Financial Officer's Review

Overview

In the period, we sold over 2.4 billion litres of soft drinks, an increase of 1.6% on the previous year. Average realised price (ARP) of 60.5p increased by 3.2% on a reported basis and by 1.7% on an organic basis (constant currency and excluding SDIL & SSDT). Revenue was £1,503.6m, an increase of 5.1%, on a reported basis, compared with last year and 2.7% on an organic basis. Adjusted EBIT* increased 5.4%, on a reported basis, to £206.0m, whilst organic adjusted EBIT increased 4.0% and organic adjusted margin** increased by 10bps. Profit after tax increased 4.9% to £117.1m, after £40.4m of planned adjusting items, primarily related to the BCP. Adjusted earnings per share increased 6.4% to 56.3p and the full year dividend increased 6.4% to 28.2p.

GB carbonates	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual	% change excluding SDIL
Volume (million litres)	1,294.8	1,281.5	1.0	1.0
ARP* per litre	45.0p	43.3p	9.0	3.9
Revenue	610.6	555.3	10.0	4.9
Brand contribution*	251.7	234.4	7.4	7.4
Brand contribution margin*	41.2%	42.2%	(100) bps	100 bps

GB carbonates organic revenue increased 4.9% with both volume and organic ARP in growth, resulting in a 7.4% increase in organic brand contribution and a 100bps improvement in organic margin. Pepsi, led by no sugar MAX, continued to grow revenue and gain market share. R Whites, Tango and 7UP Free revenue also increased, benefiting from the SDIL accelerating the trend towards low and no sugar brands. Our natural energy brand Purdey's was in strong growth, with volume increasing over 25%, benefiting from a high-profile marketing campaign and the introduction of a 250ml can format. The BCP investment has increased capacity and the range of pack formats available, which has helped underpin the carbonates performance this year. ARP and margin benefited from positive price/mix, in part due to the implementation of new promotional price points in the off-trade, as well as growth of higher margin Britvic brands. Performance in the second half of the year was disrupted by the temporary CO2 shortage, resulting in a scaling back of supply and promotions in the grocery and convenience channels. The supply of finished goods normalised towards the end of the final quarter.

GB stills	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual	% change excluding SDIL
Volume (million litres)	370.1	359.5	2.9	2.9
ARP* per litre	75.8p	74.9p	1.2	1.2
Revenue	280.7	269.3	4.2	4.2
Brand contribution*	116.6	112.0	4.1	4.1
Brand contribution margin*	41.5%	41.6%	(10) bps	0 bps

GB stills generated a pleasing organic revenue increase of 4.2% in the full year, with strong momentum in the second half. This was due to a significantly improved performance for Robinsons and J2O offsetting a decline in Fruit Shoot. Robinsons benefited from the launch of the Creations and Cordials ranges. J2O revenue increased as we launched a major marketing campaign, increased feature and display in store, and optimised our promotional strategy in the second half. GB stills benefited from consumer switching following the introduction of the SDIL, and from the decision to reallocate feature space and promotional activity in response to the temporary CO2 shortage.

France	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual exchange rate	% change constant exchange rate
Volume (million litres)	263.0	281.0	(6.4)	(6.4)
ARP* per litre	102.4p	100.1p	2.3	0.8
Revenue	269.2	281.4	(4.3)	(5.7)
Brand contribution*	81.4	81.9	(0.6)	(2.2)
Brand contribution margin*	30.2%	29.1%	110 bps	110 bps

Organic revenue declined 5.7%, driven by a 6.4% fall in volume. The majority of the revenue decline was in private label sales, as we continued to focus on managing the profitability of these contracts, while branded revenue saw a modest decline. Our branded syrups ranges were adversely affected by poor weather early in the year, whilst Fruit Shoot performance was impacted by intense competition. In the juice category we continued to see strong growth for Pressade, with its range of formats for families and kids. The organic brand contribution decline was limited to 2.2%, with organic margin increasing a robust 110 bps, due to positive mix, revenue management and a focus on cost efficiency.

Ireland	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual exchange rate	% change constant exchange rate excluding SSDT
Volume (million litres)	221.3	216.5	2.2	2.2
ARP* per litre	56.3p	51.4p	9.5	4.4
Revenue	174.0	154.7	12.5	8.3
Brand contribution*	57.1	49.6	15.1	13.3
Brand contribution margin*	32.8%	32.1%	70 bps	150 bps

Note: Volumes and ARP include own brand soft drinks sales and do not include factored product sales included within total revenue and brand contribution

Disciplined revenue management achieved a robust 4.4% organic ARP increase (excluding the SSDT) across the portfolio which, when combined with 2.2% volume growth, resulted in organic revenue growth of 8.3% and organic brand contribution growth of 13.3%, with organic margin expanding 150 bps. Both Ballygowan and MiWadi generated strong revenue growth. There was further benefit from the growth of the Counterpoint wholesale business and last year's acquisition of East Coast.

International	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual exchange rate	% change constant exchange rate
Volume (million litres)	43.8	41.5	5.5	5.5
ARP* per litre	111.9p	111.6	0.3	(0.5)
Revenue	49.0	46.3	5.8	4.9
Brand contribution*	10.2	6.9	47.8	29.5
Brand contribution margin*	20.8%	14.9%	590 bps	390 bps

Note: Concentrate sales are included in both revenue and ARP but do not have any associated volume.

Organic revenue increased a robust 14.6% in the second half of the year, following a 6.5% decline in the first half. Consequently, full year organic revenue increased 4.9%. Organic brand contribution increased by 29.5% and organic margin increased by 390 bps due to disciplined revenue management, mix and A&P efficiency. The growth was due to further expansion in the United States, a strong performance in the export channel and improved profitability in Benelux, partly offset by declines in Asia and the Middle East. The United States remains in an investment phase; Fruit Shoot multi-pack has increased distribution and shelf space, as well as the number of variants available in store. Adjusted EBIT losses were reduced due to the growth in brand contribution combined with overhead cost efficiencies.

Brazil	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual exchange rate	% change organic constant exchange rate
Volume (million litres)	210.6	186.3	13.0	0.6
ARP* per litre	57.0p	66.3p	(14.0)	0.2
Revenue	120.1	123.5	(2.8)	0.8
Brand contribution*	24.8	23.2	6.9	11.4
Brand contribution margin*	20.6%	18.8%	180 bps	200 bps

Organic volume returned to growth in the second half, increasing 0.6% for the full year following a decline in the first half. When combined with a modest growth in ARP, organic revenue increased 0.8%. Organic brand contribution and margin increased 11.4% and 200 bps respectively. This was due to a combination of factors, including lower raw material costs, lower A&P spend and synergies from the Bela Ischia acquisition being realised in the existing business.

Fixed costs – pre-adjusting items	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m	% change actual exchange rate	% change organic constant exchange rate
Non-brand A&P	(11.2)	(10.1)	(10.9)	(12.0)
Fixed supply chain*	(113.7)	(98.6)	(15.3)	(14.6)
Selling costs*	(79.5)	(80.4)	1.1	(0.1)
Overheads and other*	(131.4)	(123.4)	(6.5)	(6.9)
Total	(335.8)	(312.5)	(7.5)	(7.7)
Total A&P investment	*(65.6)*	*(66.4)*		
A&P as a % of own brand revenue	*4.6%*	*4.8%*		

Organic fixed supply chain costs increased 14.6%, largely due to depreciation from our GB supply chain investment and additional co-packing costs related to recent innovation launches and to aid capacity post the temporary carbon dioxide shortage. Organic overheads and other costs increased by 6.9%, which includes costs related to the administration of Palmer & Harvey. Inflationary cost pressures, such as wages and salaries, have also affected the cost base this year. A&P spend was slightly down on last year. Whilst spend in the second half of the year was ahead of last year, there was a pro-active scaling back of planned spend in response to the carbon dioxide disruption.

Interest

The adjusted net finance charge* for the 52-week period for the Group was £19.8m, compared with £20.1m in the prior year; the reduction was due to the impact of maturing debt being refinanced at lower rates. The reported net finance charge was £20.3m (2017: £24.2m).

Adjusting items – pre-tax

In the period, we accounted for a net charge of £40.4m (2017: £36.6m) of pre-tax adjusting items. These include:

- Strategic restructuring – BCP costs of £40.3m, which include employee costs and asset impairments in respect of the Norwich site closure, as well as other costs related to the total programme;
- Acquisition related amortisation of £11.0m;
- The reversal of impairment of the Ballygowan brand in Ireland of £11.5m;
- A fair value loss of £0.6m.

The cash cost of adjusting items pre-tax in the period was a £24.8m outflow. Further detail on adjusting items can be found on pages 29 to 31.

Taxation

The adjusted tax charge* was £37.8m, which equates to an effective tax rate of 21.6% (2017: 22.0%). This primarily resulted from a decrease in the UK tax rate to 19% (2017: 19.5%) offset by the overseas profit mix. The reported net tax charge was £28.7m (2017: £27.2m), which equates to an effective tax rate of 19.7% (2017: 19.6%). There are two factors additionally influencing the higher overall rate, permanent adjustments and corporate rate reductions in France. A benefit arises from the reduction in permanent adjustments of £3.3m in 2018 compared with £5.7m for 2017 resulting

from property disposals in Ireland. This is offset by an adverse comparable rate impact due to a lower benefit arising in 2018 (£2.4m) compared with the 2017 benefit (£5.1m) on the reduction of deferred tax liabilities as a result of the continuing reduction in the French corporate tax rate.

Earnings per share (EPS)

Adjusted basic EPS* for the period was 56.3p, up 6.4% on the same period last year. Basic EPS for the period was 44.4p, compared with 42.4p for last year.

Dividends

The Board is recommending a final dividend of 20.3p per share, an increase of 5.2% on the dividend declared last year, with a total value of £53.7m. The final dividend for 2018 will be paid on 4 February 2019 to shareholders on record as at 7 December 2018. The ex-dividend date is 6 December 2018.

Cash flow and net debt

Adjusted free cash flow* was a £65.0m inflow, compared with a £54.5m inflow the previous year. Working capital generated an inflow of £15.5m (2017: £26.0m inflow), due to continued focus on working capital management across the business. Capital expenditure of £143.5m, (2017: £146.7m) remained high due to the transformational BCP in GB.

Adjusted net debt* at 30 September 2018 of £575.5m increased by £72.6m compared to adjusted net debt* of £502.9m at 1 October 2017, partly due to the payment of deferred consideration in relation to the acquisitions of Ebba and East Coast. This has generated adjusted net debt* leverage of 2.2x (2017: 2.0x).

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 position. The Group uses financial instruments to hedge against interest rate and foreign currency exposures.

At 30 September 2018, the Group had £1,108.0m of committed debt facilities, consisting of a £400.0m bank facility which matures in 2021, and a series of private placement notes with maturities between 2019 and 2033, providing the business with a secure funding platform.

At 30 September 2018, the Group's unadjusted net debt of £659.6m (excluding derivative hedges) consisted of £58.5m drawn under the Group's committed bank facilities, £707.6m of private placement notes, £3.3m of accrued interest and £1.6m of finance leases, offset by net cash and cash equivalents of £109.5m and unamortised loan issue costs of £1.9m. Including 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 £575.5m, which compares with £502.9m at 1 October 2017.

Pensions

At 1 October 2018, the Group had IAS 19 pension surpluses in Great Britain and Northern Ireland totaling £96.3m and IAS 19 pension deficits in Ireland and France totaling £9.4m, resulting in a net pension surplus of £86.9m (1 October 2017: net surplus of £31.2m). The net surplus has increased primarily due to changes in the financial and demographic assumptions, and additional employer contributions made to the GB plan of £19.9m. 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 employees being invited to join the defined contribution scheme. The Northern Ireland scheme is only open to future accrual for members who joined before 28 February 2006, and new employees are eligible to join the defined contribution scheme. All new employees in Ireland join the defined contribution plan. Following completion of the 31 March 2016 GB plan actuarial valuation, agreement has been made with the Plan Trustee on a number of key principles, including allowing a longer period to fund the deficit and agreeing that no additional contributions will be payable over and above those payments to 2019 agreed at the 2013 valuation. Future contributions beyond 2019 will be on a contingent basis. The Ireland and Northern Ireland defined benefit pension plans have an investment strategy journey plan to manage the risks as the funding position improves. The GB pension plan mainly has credit-type investments and the Trustees have developed proposals to manage the investment risks.

Following the Lloyds GMP equalisation case in October, which ruled that treatment of men and women be brought in line for schemes with a guaranteed minimum pension, the vast majority of UK-based DB schemes will need to recalculate member benefits. We believe the potential impact for Britvic will be a 1%-3% increase in pension liability, decreasing the surplus by £7m - £20m. This is a non-adjusting post balance sheet event in 2018 and further work will be performed in 2019 to quantify the impact of the equalisation and whether it should be treated as a past service cost in the P&L or an actuarial adjustment in other comprehensive income.

Risk management process

As with any business, we face risks and uncertainties. We believe that effective risk management supports the successful delivery of our strategic objectives. The management of these risks is based on a balance of risk and reward, determined through assessment of the likelihood and impact as well as the company's risk appetite. The Executive team performs a formal robust assessment of the principal risks facing the company annually, which is reviewed by the Board. Similarly, all business units and functions perform formal annual risk assessments that consider the company's principal risks and specific local risks relevant to the market in which they operate. Risks are monitored throughout the year with consideration to internal and external factors and the company's risk appetite, and updates to risks and mitigation plans are made as required. The principal risks that could potentially have a significant impact on our business have not changed since year end and are set out on pages 32 to 35 of the 2018 annual report.

Implementation of IFRS 15: Revenue from Contracts with Customers

Britvic is committed to continually improving both the quality and transparency of its financial reporting and has adopted early IFRS 15 (Revenue from Contracts with Customers) for the accounting period starting 2 October 2017, with full retrospective application.

IFRS 15 establishes a comprehensive framework for determining and recognising revenue, as well as requiring entities to provide users of financial statements with more informative and relevant disclosures. The primary impact for Britvic on implementing IFRS 15 is a reclassification to revenue of certain rebates offered to customers that had previously been recognised as selling and distribution costs; and the reclassification of certain incentives received, from revenue to cost of sales. Adoption of the standard has no impact on profit before tax. Contract liabilities are now disclosed as a separate line on the face of the balance sheet. Full details on the IFRS 15 restatement for 2017 can be found on pages 27 to 28.

Glossary

Non-GAAP measures are provided because they are closely tracked by management to evaluate Britvic's operating performance and to make financial, strategic and operating decisions.

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.

AER refers to Actual Exchange Rate where variances are calculated on sterling values translated at actual exchange rates

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

Revenue is defined as sales achieved by the group net of price promotional investment and retailer discounts.

Brand contribution is a non-GAAP measure and 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.

Brand contribution margin is a non-GAAP measure and is a percentage measure calculated as brand contribution, divided by revenue. Each business unit's performance is reported down to the brand contribution level.

EBITDA is earnings before interest, taxation, depreciation and amortisation.

Adjusted EBIT is a non-GAAP measure and is defined as operating profit before adjusting items. EBIT margin is EBIT as a proportion of group revenue.

Adjusted profit after tax is a non-GAAP measure and is defined as profit after tax before adjusting items, with the exception of acquisition related amortisation.

Adjusted earnings per share is a non-GAAP measure 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 adjusting items. 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 263.7m (2017: 263.0m).

Adjusted free cash flow is a non-GAAP measure and is defined as net cash flow excluding movements in borrowings, dividend payments and adjusting items.

Adjusted net debt is a non-GAAP measure and is defined as group net debt, adding back the impact of derivatives hedging the balance sheet debt.

Organic is a non-GAAP measure and excludes the impact of the acquisition of Bela Ischia and on a constant currency basis. In GB and Ireland organic also excludes the Soft Drinks Industry Levy (SDIL) and Sugar Sweetened Soft Drinks Tax (SSDT).

Innovation is defined as new launches over the last three years, excluding new flavours and pack sizes of established brands.

Revenue management is a measure and is used to define a range of actions to affect ARP. It includes, but is not limited to, price increases, changes to price promotions and variation pf pack size.

Retail market value and volume is a measure of the recorded sales at the retail point of purchase. This data is typically collated by independent organisations such as Nielsen and IRI from data supplied by retailers.

A&P is a measure of marketing spend including marketing, research and advertising.

Non-working A&P is a measure of marketing spend that is not spent directly on consumer facing activity. It would include, but not limited to, agency fees, research and production costs.

Constant exchange rate is a non-GAAP measure of performance in the underlying currency to eliminate the impact of foreign exchange movements.

Soft Drinks Industry Levy (SDIL) is a levy applied on soft drinks manufacturers in the UK.

Sugar Sweetened Soft Drinks Tax (SSDT) is a levy applied on soft drinks manufacturers in the Republic of Ireland.

Business Capability Programme (BCP) relates to a restructuring of supply chain and operating model to enhance commercial capabilities in GB and Ireland, including the closure of the Norwich site.

CAGR is compound annual growth rate.

CONSOLIDATED INCOME STATEMENT

	Note	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 Restated £m
Revenue	3, 14	1,503.6	1,430.5
Cost of sales		(702.0)	(667.2)
Gross profit		**801.6**	**763.3**
Selling and distribution costs		(400.8)	(393.1)
Administration expenses		(246.2)	(216.4)
Other income	14	11.5	9.2
Operating profit		**166.1**	**163.0**
Finance income		1.0	2.1
Finance costs		(21.3)	(26.3)
Profit before tax		**145.8**	**138.8**
Taxation	4	(28.7)	(27.2)
Profit for the period attributable to the equity shareholders		**117.1**	**111.6**
Earnings per share			
Basic earnings per share	5	44.4p	42.4p
Diluted earnings per share	5	44.1p	42.2p

All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(EXPENSE)

	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m
Profit for the period attributable to the equity shareholders	**117.1**	**111.6**
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss		
Remeasurement gains on defined benefit pension schemes	33.3	26.7
Deferred tax on defined benefit pension schemes	(5.5)	(4.2)
Deferred tax on other temporary differences	–	0.1
	27.8	**22.6**
Items that may be subsequently reclassified to profit or loss		
Losses in the period in respect of cash flow hedges	(2.6)	(3.2)
Amounts recycled to the income statement in respect of cash flow hedges	(0.4)	(7.0)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	0.5	1.7
Exchange differences on translation of foreign operations	(35.1)	(1.3)
Tax on exchange differences accounted for in the translation reserve	–	(6.1)
	(37.6)	**(15.9)**
Other comprehensive income for the period, net of tax	**(9.8)**	**6.7**
Total comprehensive income for the period attributable to the equity shareholders	**107.3**	**118.3**

CONSOLIDATED BALANCE SHEET

	Note	30 September 2018 £m	1 October 2017 Restated £m
Assets			
Non-current assets			
Property, plant and equipment	7	519.8	461.6
Intangible assets	7	439.5	455.0
Other receivables		7.7	6.7
Derivative financial instruments	12	40.5	69.7
Deferred tax asset		5.6	7.5
Pension asset	11	96.3	40.5
		1,109.4	**1,041.0**
Current assets			
Inventories		144.5	146.7
Trade and other receivables		356.8	321.1
Current income tax receivables		2.3	4.5
Derivative financial instruments	12	37.9	17.2
Cash and cash equivalents		109.5	82.5
		651.0	**572.0**
Total assets		**1,760.4**	**1,613.0**
Current liabilities			
Trade and other payables		(424.3)	(384.9)
Contract liabilities – rebate accruals	14	(97.4)	(87.7)
Interest bearing loans and borrowings	10	(171.4)	(89.7)
Derivative financial instruments	12	(0.7)	(2.7)
Current income tax payable		(2.2)	(12.4)
Provisions		(2.6)	(3.7)
Other current liabilities		(0.2)	(36.7)
		(698.8)	**(617.8)**
Non-current liabilities			
Interest bearing loans and borrowings	10	(597.7)	(582.7)
Deferred tax liabilities		(62.5)	(51.4)
Pension liability	11	(9.4)	(9.3)
Derivative financial instruments	12	(4.2)	(4.1)
Provisions		(7.4)	(5.0)
Other non-current liabilities		(3.1)	(3.4)
		(684.3)	**(655.9)**
Total liabilities		**(1,383.1)**	**(1,273.7)**
Net assets		**377.3**	**339.3**

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	30 September 2018 £m	1 October 2017 Restated £m
Capital and reserves			
Issued share capital	8	52.9	52.8
Share premium account		139.1	133.9
Own shares reserve		(5.4)	(3.7)
Other reserves	9	92.9	130.5
Retained earnings		97.8	25.8
Total equity		**377.3**	**339.3**

The financial statements were approved by the board of directors and authorised for issue on 28 November 2018. They were signed on its behalf by:

Simon Litherland Mathew Dunn

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	52 weeks ended 30 September 2018 £m	52 weeks ended 1 October 2017 £m
Cash flows from operating activities			
Profit before tax		145.8	138.8
Net finance costs		20.3	24.2
Other financial instruments		0.6	13.5
Impairment of property, plant and equipment	7	4.8	–
Reversal of impairment of intangible assets	7	(11.5)	(2.6)
Depreciation		48.5	40.3
Amortisation		18.4	19.0
Share based payments		5.6	6.3
Net pension charge less contributions		(22.1)	(22.1)
Increase in inventory		(3.3)	(24.2)
(Increase)/decrease in trade and other receivables		(44.9)	4.3
Increase in trade, other payables and contract liabilities		66.4	41.2
Increase/(decrease) in provisions		4.5	(4.9)
Loss on disposal of property, plant and equipment and intangible assets		4.5	1.6
Income tax paid		(30.8)	(37.4)
Net cash flows from operating activities		**206.8**	**198.0**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		–	17.7
Purchases of property, plant and equipment		(136.3)	(139.8)
Purchases of intangible assets		(7.3)	(6.9)
Interest received		0.9	0.8
Acquisition of subsidiaries, net of cash acquired		(38.4)	(60.3)
Net cash flows used in investing activities		(181.1)	(188.5)
Cash flows from financing activities			
Interest paid, net of derivative financial instruments		(22.0)	(20.8)
Net movement on revolving credit facility	10	35.3	(91.4)
Other loans repaid	10	(0.7)	(0.6)
Repayment on finance leases	10	(1.1)	(0.8)
Acquired debt repaid	10	–	(2.4)
Partial repayment of private placement notes	10	(54.9)	(119.6)
Drawdown of 2018/2017 private placement notes	10	120.3	175.0
Issue costs paid	10	(0.4)	(0.7)
Issue of shares relating to incentive schemes for employees		1.0	0.7
Purchase of own shares		(3.1)	(5.3)
Dividends paid to equity shareholders		(71.7)	(64.9)
Net cash flows used in financing activities		**2.7**	**(130.8)**
Net increase/(decrease) in cash and cash equivalents		28.4	(121.3)
Cash and cash equivalents at beginning of period		82.5	205.9
Exchange rate differences		(1.4)	(2.1)
Cash and cash equivalents at the end of the period		**109.5**	**82.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Other reserves (note 9) £m	Retained earnings/ (losses) £m	Total £m
At 2 October 2016	**52.6**	**129.1**	**(3.3)**	**146.5**	**(43.9)**	**281.0**
Profit for the period	–	–	–	–	111.6	111.6
Other comprehensive (expense)/income	–	–	–	(15.9)	22.6	6.7
Total comprehensive (expense)/income	**–**	**–**	**–**	**(15.9)**	**134.2**	**118.3**
Issue of shares relating to incentive schemes for employees	0.2	4.8	(4.4)	–	–	0.6
Own shares purchased for share schemes	–	–	(4.8)	–	–	(4.8)
Own shares utilised for share schemes	–	–	8.8	–	(7.9)	0.9
Movement in share based schemes	–	–	–	–	6.1	6.1
Current tax on share based payments	–	–	–	–	0.1	0.1
Deferred tax on share based payments	–	–	–	–	2.0	2.0
Movement in non-distributable profit	–	–	–	(0.1)	0.1	–
Payment of dividend	–	–	–	–	(64.9)	(64.9)
At 1 October 2017 (audited)	**52.8**	**133.9**	**(3.7)**	**130.5**	**25.8**	**339.3**
Profit for the period	–	–	–	–	117.1	117.1
Other comprehensive (expense)/income	–	–	–	(37.6)	27.8	(9.8)
Total comprehensive (expense)/income	**–**	**–**	**–**	**(37.6)**	**144.9**	**107.3**
Issue of shares relating to incentive schemes for employees	0.1	5.2	(4.4)	–	–	0.9
Own shares purchased for share schemes	–	–	(5.2)	–	–	(5.2)
Own shares utilised for share schemes	–	–	7.9	–	(7.1)	0.8
Movement in share based schemes	–	–	–	–	5.5	5.5
Current tax on share based payments	–	–	–	–	0.4	0.4
Payment of dividend	–	–	–	–	(71.7)	(71.7)
At 30 September 2018	**52.9**	**139.1**	**(5.4)**	**92.9**	**97.8**	**377.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The preliminary consolidated financial information was approved by the board on 28 November 2018.

The preliminary consolidated financial information for the 52 week period ended 30 September 2018, has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The preliminary consolidated financial information does not constitute statutory consolidated financial statements as defined by section 434 of the Companies Act 2006.

The annual report and group financial statements for the 52 week period ended 30 September 2018 were approved by the board on 28 November 2018. The report of the auditor on those group financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The annual report and group financial statements for 2018 will be filed with the Registrar of Companies in due course.

The annual report and group financial statements for the 52 week period ended 1 October 2017 were approved by the board on 28 November 2017. The report of the auditor on those group financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The directors consider that the group has, at the time of approving the group financial statements, adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the preliminary consolidated information.

2. Accounting policies

The accounting policies are consistent with those described in the annual report and group financial statements 2017, with the exception of the early adoption of IFRS 15: Revenue from Contracts with Customers.

Initial adoption of IFRS 15: Revenue from Contracts with Customers
The standard has an effective date of 1 January 2018, but the group has decided to early adopt this standard with a date of initial application to the group of 2 October 2017.

IFRS 15 replaces all existing revenue requirements in IFRS and applies to all revenue arising from contracts with customers unless the contracts are within the scope of other standards.

The group has applied IFRS 15 fully retrospectively in accordance with paragraph C3 (a) of the standard, restating the prior period's comparatives. The main impact of adopting the standard is a reclassification of certain rebates offered to customers that had previously been recognised as selling and distribution costs to revenue and the reclassification of certain incentives received, from revenue, to cost of sales. There is no impact on the timing of transfer of control and therefore there is no impact on the timing of recognition of revenue and therefore profit before tax is not impacted. Additionally, the group is required to separately disclose balances that meet the definition of contract liabilities under IFRS 15 on the consolidated balance sheet. The details of the group's revised accounting policy in respect of revenue recognition is shown below and the impact of the adoption of IFRS 15 is set out in note 14.

Revenue recognition
The group recognises revenue from the sale of soft drinks to the wholesale market. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer. Following delivery, which is determined to be the time of shipment, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is the value of sales, excluding transactions with or between subsidiaries, after the deduction of sales related discounts and rebates, value added tax and other sales related taxes. Rebates to customers are deducted from revenue where the amounts paid are sales related or in relation to a good or service which results in an increase in sales in the customer's outlet and therefore is not distinct from the sale of soft drinks to the customer and comprise:

Long term discounts and rebates
These discounts are typically for months rather than weeks and are usually part of the trading terms agreed with the customer. Long term discounts fall into three main categories:

- Fixed – a defined amount over a period of time
- Pence per litre / case – a pence per litre / case rebate, based upon volumes sold
- % of Net Revenue – a percentage of Net Revenue, which may have associated hurdle rates

2. Accounting policies (continued)

Short term promotional discounts
Promotional discounts consist of many individual rebates across numerous customers and represents the cost to the group of short term deal mechanics. The common deals typically include BOGOFs, 3 For 2, and Half Price deals.

Account development fund
Account development fund represents customer promotional activity which promotes Britvic's products in the customer's outlets. The group agrees to pay the customer various amounts as part of the trading investment. Where these amounts are payable in relation to a good or service which result in an increase in sales in the customer's store only, e.g. in-store promotional activity, management has concluded that this is not distinct, and it is accounted for as a reduction in revenue. Where these amounts are payable in relation to a good or service which result in an increase in group sales more broadly, e.g. participation in tradeshows or market research, management has concluded that the payment is for a distinct good or service. Where amounts paid to customers are deemed to be for a distinct service these are included as selling and distribution costs in the income statement.

Variable consideration
The group agrees to pay customers various amounts either in the form of sales related rebates and discounts earned or as part of the trading investment (e.g. sales driving investment, growth over-rider investment, incentives for purchasing full loads, payment for new store openings, payment for listing new products).

Where the consideration, the group is entitled to, will vary because of a rebate, refund incentive or price concession or similar item; or is contingent on the occurrence or non-occurrence of a future event, e.g. the customer meeting certain agreed criteria, the amount payable is deemed to be variable consideration.

The group uses the most likely method to reflect the consideration that the group is entitled to. Variable consideration is then only included to the extent that it is highly probably that the inclusion will not result in a significant revenue reversal in the future. Accruals are made for each individual promotion or rebate based on the specific terms and conditions of the customer agreement. Management make estimates on an ongoing basis to assess customer performance and sales volume to calculate total amounts earned to be recorded as deductions from revenue.

Contract liabilities
Contract liabilities are recognised where, as part of a contract with a customer, the group has received consideration where the group will either need to return that consideration or deliver future services and goods in respect of this consideration.

New standards not applied
IFRS 9: Financial Instruments; The group will adopt this standard for the period starting 1 October 2018. The new standard will impact the way the group accounts for certain financial assets and liabilities. The standard introduces an expected credit loss model when assessing impairment on financial assets. The group intends to apply the simplified model to recognise expected lifetime losses on its trade receivables. The group has reviewed the impact on the financial statements as at 1 October 2018 and assessed that none of these changes are material based on the nature of the financial instruments held by the group and the low level of historic losses on trade receivables.

IFRS 9 also introduces a new hedging requirement to align hedge accounting more closely with the group's risk management processes. There is currently an option to defer the transition of hedge accounting IFRS 9. The group has therefore decided to continue to account for hedging relationships under IAS 39 'Financial instruments: recognition and measurement' and will review when to adopt the hedge accounting for IFRS 9 at a future date. On adoption there is not expected to be any material change in hedge accounting for the group.

IFRS 16: Leases; The new standard provides a single lessee accounting model, requiring lessees to recognise right of use assets and lease liabilities on the balance sheet for all applicable leases. The group has assessed the impact of the standard which, based on the leases held at 30 September 2018, will result in a material increase in depreciation and an increase in finance costs offset by a decrease in rental costs resulting in no material impact on profit before tax. In addition there will be a material increase in property, plant and equipment with a corresponding increase in loans and borrowings as applicable leases are brought onto the balance sheet. The group is in the process of finalising this work and setting out related accounting policies. Until this work has been carried out it is not practical to provide a reasonable estimate of the financial effect of IFRS 16.

3. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the company.

For management purposes, the group is organised into business units and has six reportable segments as follows:

- GB stills – United Kingdom excluding Northern Ireland
- GB carbs – United Kingdom excluding Northern Ireland
- Ireland – Republic of Ireland and Northern Ireland
- France
- Brazil
- International

These business units sell soft drinks into their respective markets.

3. Segmental reporting (continued)

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.

52 weeks ended 30 September 2018	**GB stills £m**	**GB carbs £m**	**Total GB £m**	**Ireland £m**	**France £m**	**International £m**	**Brazil £m**	**Total £m**
Revenue from external customers	280.7	610.6	**891.3**	174.0	269.2	49.0	120.1	**1,503.6**
Brand contribution	116.6	251.7	**368.3**	57.1	81.4	10.2	24.8	**541.8**
Non-brand advertising & promotion*								(11.2)
Fixed supply chain**								(113.7)
Selling costs**								(79.5)
Overheads and other costs*								(131.4)
Adjusted operating profit								**206.0**
Finance costs								(19.8)
Adjusting items***								(40.4)
Profit before tax								**145.8**

* 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.

*** See Non-GAAP reconciliations for further details on adjusting items.

52 weeks ended 1 October 2017 Restated	**GB stills £m**	**GB carbs £m**	**Total GB £m**	**Ireland £m**	**France £m**	**International £m**	**Brazil £m**	**Total £m**
Revenue from external customers	269.3	555.3	**824.6**	154.7	281.4	46.3	123.5	**1,430.5**
Brand contribution	112.0	234.4	**346.4**	49.6	81.9	6.9	23.2	**508.0**
Non-brand advertising & promotion*								(10.1)
Fixed supply chain**								(105.1)
Selling costs**								(81.7)
Overheads and other costs*								(115.6)
Adjusted operating profit								**195.5**
Finance costs								(20.1)
Adjusting items***								(36.6)
Profit before tax								**138.8**

* Included within 'administration expenses' in the consolidated income statement. 'Overheads and other costs' relate to central expenses including salaries, IT maintenance, depreciation and amortisation.
These costs have been restated to exclude acquisition related amortisation for 2017.

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

*** See Non-GAAP reconciliations for further details on adjusting items. These items have been restated to include acquisition related amortisation for 2017.

4. Taxation

	2018 £m	2017 £m
Income statement		
Current income tax		
Current income tax charge	(23.0)	(30.3)
Amounts over/(under) provided in previous years	0.4	(2.1)
Total current income tax charge	**(22.6)**	**(32.4)**
Deferred income tax		
Origination and reversal of temporary differences	(6.1)	3.8
Amounts over provided in previous years	–	1.4
Total deferred tax (charge)/credit	**(6.1)**	**5.2**
Total tax charge in the income statement	**(28.7)**	**(27.2)**

5. 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 outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the ordinary 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 would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	2018 £m	2017 £m
Basic earnings per share		
Profit for the period attributable to equity shareholders	**117.1**	111.6
Weighted average number of ordinary shares in issue for basic earnings per share	**263.7**	263.0
Basic earnings per share	**44.4p**	42.4p
Diluted earnings per share		
Profit for the period attributable to equity shareholders	**117.1**	111.6
Effect of dilutive potential ordinary shares – share schemes	**1.7**	1.3
Weighted average number of ordinary shares in issue for diluted earnings per share	**265.4**	264.3
Diluted earnings per share	**44.1p**	42.2p

The group has granted share options to employees which have the potential to dilute basic EPS in the future which have not been included in the calculation of diluted EPS as they are antidilutive for the periods presented.

6. Dividends paid and proposed

	2018 £m	2017 £m
Declared and paid during the period		
Equity dividends on ordinary shares		
Final dividend for 2017: 19.3p per share (2016: 17.5p per share)	50.8	45.9
Interim dividend for 2018: 7.9p per share (2017: 7.2p per share)	20.9	19.0
Dividends paid	**71.7**	**64.9**
Proposed		
Final dividend for 2018: 20.3p per share (2017: 19.3p per share)	**53.7**	**50.9**

7. Property, plant and equipment and intangible assets

During the 52 weeks ended 30 September 2018, the group purchased property, plant and equipment with a cost of £122.9m (52 weeks ended 1 October 2017: £124.6m) and intangible assets with a cost of £7.8m (52 weeks ended 1 October 2017: £6.8m).

Property plant and equipment worth a net book value of £4.5m was disposed of by the group during the 52 weeks ended 30 September 2018 (52 weeks ended 1 October 2017: £19.5m) resulting in a loss on disposal of £4.5m (52 weeks ended 1 October 2017: loss on disposal of £1.6m) and as part of the business capability programme an impairment of £4.8m (52 weeks ended 1 October 2017: £nil) has been recognised on land and buildings.

Reversal of impairments of brand intangibles resulted in a gain of £11.5m during the 52 weeks ended 30 September 2018 (52 weeks ended 1 October 2017: £9.2m). There were no brand impairments recognised during the 52 weeks ended 30 September 2018 (52 weeks ended 1 October 2017: £6.6m).

8. Share capital

Issued, called up and fully paid ordinary shares	**No. of shares**	**Value £**
At 2 October 2016	**262,871,256**	**52,574,251**
Shares issued relating to incentive schemes for employees	925,744	185,149
At 1 October 2017	**263,797,000**	**52,759,400**
Shares issued relating to incentive schemes for employees	809,911	161,982
At 30 September 2018	**264,606,911**	**52,921,382**

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.

Of the issued and fully paid ordinary shares, 724,335 shares (2017: 585,025 shares) are own shares held by an employee benefit trust. This equates to £144,867 (2017: £117,005) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes.

9. Other reserves

	Hedging reserve £m	Translation reserve £m	Capital reserve £m	Merger reserve £m	Total £m
At 2 October 2016	**3.8**	**55.3**	**0.1**	**87.3**	**146.5**
Losses in the period in respect of cash flow hedges	(3.2)	–	–	–	(3.2)
Amounts recycled to the income statement in respect of cash flow hedges	(7.0)	–	–	–	(7.0)
Deferred tax in respect of cash flow hedges	1.7	–	–	–	1.7
Exchange differences on translation of foreign operations	–	(1.3)	–	–	(1.3)
Tax on exchange differences	–	(6.1)	–	–	(6.1)
Movement in non-distributable profit	–	–	(0.1)	–	(0.1)
At 1 October 2017	**(4.7)**	**47.9**	**–**	**87.3**	**130.5**
Losses in the period in respect of cash flow hedges	(2.6)	–	–	–	(2.6)
Amounts recycled to the income statement in respect of cash flow hedges	(0.4)	–	–	–	(0.4)
Deferred tax in respect of cash flow hedges	0.5	–	–	–	0.5
Exchange differences on translation of foreign operations	–	(35.1)	–	–	(35.1)
At 30 September 2018	**(7.2)**	**12.8**	**–**	**87.3**	**92.9**

Share premium account
The share premium account is used to record the excess of proceeds over the nominal value on the issue of shares.

Own shares reserve
The own shares reserve is used to record purchases and issues by the group of its own shares, which will be distributed to employees as and when share awards made under the Britvic employee share plans vest.

Hedging reserve
The hedging reserve records the effective portion of movements in the fair value of forward exchange contracts, interest rate and cross currency swaps that have been designated as part of a cash flow hedge relationship.

Translation reserve
The translation reserve includes cumulative net exchange differences on translation into the presentational currency of items recorded in group entities with a non-sterling functional currency net of amounts recognised in respect of net investment hedges.

Merger reserve
The merger reserve arose as a result of the non pre-emptive share placement which took place on 21 May 2010. It was executed using a structure which created a merger reserve under Section 612-3 of the Companies Act 2006.

10. Interest bearing loans and borrowings

	2018 £m	2017 £m
Current		
Finance leases	(0.7)	(1.0)
Bank loans	(58.4)	(23.1)
Private placement notes	(112.9)	(66.3)
Less: unamortised issue costs	0.6	0.7
Total current	**(171.4)**	**(89.7)**

	2018 £m	2017 £m
Non-current		
Finance leases	(0.9)	(2.0)
Bank loans	(0.1)	(0.6)
Private placement notes	(598.0)	(581.7)
Less: unamortised issue costs	1.3	1.6
Total non-current	**(597.7)**	**(582.7)**
Total interest bearing loans and borrowings	**(769.1)**	**(672.4)**

Total interest bearing loans and borrowings comprise the following:

	2018 £m	2017 £m
Finance leases	(1.6)	(3.0)
2007 Notes	(109.6)	(107.0)
2009 Notes	(91.3)	(109.8)
2010 Notes	(88.6)	(133.1)
2014 Notes	(122.5)	(120.1)
2017 Notes	(175.0)	(175.0)
2018 Notes	(120.6)	–
Accrued interest	(3.3)	(3.0)
Bank loans	(58.5)	(23.7)
Capitalised issue costs	1.9	2.3
	(769.1)	**(672.4)**

10. Interest bearing loans and borrowings (continued)

Analysis of changes in interest-bearing loans and borrowings

	2018 £m	2017 £m
At the beginning of the period	**(672.4)**	**(779.8)**
Acquisition of subsidiary	–	(3.3)
Acquired debt repaid	–	2.4
Net movement on revolving credit facility	(35.3)	91.4
Other loans repaid	0.7	0.6
Partial repayment of private placement notes	54.9	119.6
Drawdown of 2018/2017 private placement notes	(120.3)	(175.0)
Issue costs	0.4	0.7
Repayment of finance leases	1.1	0.8
Amortisation of issue costs and write off of financing fees	(0.6)	(0.6)
Net translation gain/(loss) and fair value adjustment	2.7	70.5
Accrued interest	(0.3)	0.3
At the end of the period	**(769.1)**	**(672.4)**
Derivatives hedging balance sheet debt*	84.1	87.0
Debt translated at contracted rate	**(685.0)**	**(585.4)**

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

11. Pensions

Net asset/(liability) by scheme

					2018
	GB £m	ROI £m	NI £m	France £m	Total £m
Present value of benefit obligation	(658.2)	(87.6)	(30.2)	(4.0)	(780.0)
Fair value of plan assets	739.2	82.2	45.5	–	866.9
Net asset/(liability)	**81.0**	**(5.4)**	**15.3**	**(4.0)**	**86.9**

					2017
	GB £m	ROI £m	NI £m	France £m	Total £m
Present value of benefit obligation	(726.1)	(83.5)	(35.3)	(3.9)	(848.8)
Fair value of plan assets	759.2	78.1	42.7	–	880.0
Net (liability)/asset	**33.1**	**(5.4)**	**7.4**	**(3.9)**	**31.2**

GB Schemes
The group's principal pension scheme for GB employees, the Britvic Pension Plan ('BPP') has both a final salary defined benefit section and defined contribution section. The defined benefit section was closed to new members from 1 August 2002 and closed to future accrual for active members from 1 April 2011, with active members moving to the defined contribution section for future service benefits.

Republic of Ireland scheme
The Britvic Ireland Pension Plan ('BIPP') is a defined benefit pension plan. The scheme remains open to future accrual for current members.

Northern Ireland scheme
The Britvic Northern Ireland Pension Plan ('BNIPP') is a defined benefit pension plan which was closed to new members on 28 February 2006. The scheme remains open to future accrual for current members though the group are currently consulting with members and trustees on closing the scheme for future accruals.

France schemes
Britvic France operates two defined benefit schemes: in the first, employees receive long-service cash payments at various stages throughout their careers. For the second, employees receive a lump sum at retirement. Payment amounts are dependent upon salary and service with the company. The schemes are unfunded therefore these benefits are paid directly as they fall due.

All group pension schemes are administered by trustees who are independent of the group's finances, except for the Britvic France schemes which are operated directly by the company.

12. Derivatives and hedge relationships

As at 30 September 2018 the group had entered into the following derivative contracts.

	2018 £m	2017 £m
Consolidated balance sheet		
Non-current assets: derivative financial instruments		
Fair value of the USD GBP cross currency fixed interest rate swaps[1]	15.2	43.5
Fair value of the USD GBP cross currency floating interest rate swaps[3]	25.1	25.6
Fair value of the GBP euro cross currency floating interest rate swaps[2]	–	0.5
Fair value of forward currency contracts	0.2	0.1
	40.5	**69.7**
Current assets: derivative financial instruments		
Fair value of the USD GBP cross currency fixed interest rate swaps[1]	33.0	7.1
Fair value of the USD GBP cross currency floating interest rate swaps[3]	2.9	6.8
Fair value of the GBP euro cross currency floating interest rate swaps[2]	0.4	0.5
Fair value of forward currency contracts[1]	1.6	2.8
	37.9	**17.2**
Current liabilities: derivative financial instruments		
Fair value of forward currency contracts[1]	(0.4)	(1.5)
Fair value of forward currency contracts	(0.3)	–
Fair value of the GBP euro cross currency floating interest rate swaps[2]	–	(1.0)
Fair value of foreign exchange swaps	–	(0.2)
	(0.7)	**(2.7)**
Non-current liabilities: derivative financial instruments		
Fair value of the GBP euro cross currency fixed interest rate swaps[2]	(4.1)	(3.9)
Fair value of forward currency contracts[1]	(0.1)	(0.2)
	(4.2)	**(4.1)**

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.

13. Post balance sheet events

On 26 October 2018, the High Court ruled that Lloyds Banking Group must equalise the guaranteed minimum pensions (GMP) for men and women. The judgement is likely to have an impact on the liabilities of both GB and Northern Ireland schemes. The group has started to work through the impact of this judgement with the schemes' actuaries. Based on the approach used in recent buy-outs of pension schemes the expected impact for all UK schemes affected would be in the region of 1-3% of scheme liabilities depending on the individual characteristics of the pension scheme. There is therefore a risk that the schemes liabilities for the group could increase by c.£7m – £20m. Due to the timing of the ruling this has been considered a non-adjusting post balance sheet event and the impact of the GMP equalisation will be quantified and accounted for during the accounting period starting 1 October 2018.

14. Financial statements restatements

IFRS 15 restatements
The Group early adopted IFRS 15: Revenue from Contracts with Customers ("IFRS 15") on 2 October 2017 using the full retrospective method. This note details the impact of the adoption of IFRS 15 on the Group's primary financial statements and KPIs.

IFRS 15 establishes a comprehensive framework for determining and recognising revenue. The main impact of adopting the standard for the Group is:

- Reclassification of certain rebates offered to customers that had previously been recognised as selling and distribution costs to revenue, that are now considered to be a reduction in the transaction price under IFRS 15 (£57.6m).
- Reclassification of certain incentives received from revenue, to cost of sales, which do not now meet the definition of revenue under IFRS 15 (£52.7m).

There is no impact on profit before tax. The areas that have been impacted and restated for 2017 are the following: revenue, cost of sales, gross profit, selling and distribution costs, administration expenses, segmental brand contribution, trade and other payables and contract liabilities.

Other restatements
The Group has restated the reversal of impairments on intangible assets from administration expenses to other income to better reflect the nature of these credits.

Consolidated Income Statement restated

	52 weeks ended 1 October 2017 (audited) As reported £m	**IFRS 15 Adjustments £m**	**Other Adjustments £m**	**52 weeks ended 1 October 2017 (audited) Restated £m**
Revenue	1,540.8	(110.3)	–	1,430.5
Cost of sales	(724.3)	57.1	–	(667.2)
Gross profit	**816.5**	**(53.2)**	**–**	**763.3**
Selling and distribution costs	(443.8)	50.7	–	(393.1)
Administration expenses	(209.7)	2.5	(9.2)	(216.4)
Other income	–	–	9.2	9.2
Operating profit	**163.0**	**–**	**–**	**163.0**
Finance income	2.1	–	–	2.1
Finance costs	(26.3)	–	–	(26.3)
Profit before tax	**138.8**	**–**	**–**	**138.8**
Taxation	(27.2)	–	–	(27.2)
Profit for the period attributable to the equity shareholders	**111.6**	**–**	**–**	**111.6**

14. Financial statements restatements (continued)

Other Primary Statement restatements for IFRS 15

The only adjustment to the consolidated balance sheet is in respect of contract liabilities. The group has identified balances with customers that should be recorded separately as contract liabilities under IFRS 15.

	1 October 2017 As reported £m	IFRS 15 Adjustments £m	1 October 2017 Restated £m
Current liabilities			
Trade and other payables	(472.6)	87.7	(384.9)
Contract liabilities	–	(87.7)	(87.7)

	2 October 2016 As reported £m	IFRS 15 Adjustments £m	3 October 2016 Restated £m
Current liabilities			
Trade and other payables	(437.2)	95.0	(342.2)
Contract liabilities	–	(95.0)	(95.0)

There is no impact on the adoption of IFRS 15 on the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity.

Segmental Information

	52 weeks ended 1 October 2017 As reported £m	IFRS 15 Adjustments £m	52 weeks ended 1 October 2017 Restated £m
Revenue			
GB Stills	285.2	(15.9)	269.3
GB Carbs	617.8	(62.5)	555.3
Total GB	**903.0**	**(78.4)**	**824.6**
Ireland	164.7	(10.0)	154.7
France	282.7	(1.3)	281.4
Brazil	133.1	(9.6)	123.5
International	57.3	(11.0)	46.3
Group revenue	**1,540.8**	**(110.3)**	**1,430.5**
Brand contribution			
GB Stills	125.4	(13.4)	112.0
GB Carbs	246.6	(12.2)	234.4
Total GB	**372.0**	**(25.6)**	**346.4**
Ireland	56.7	(7.1)	49.6
France	84.9	(3.0)	81.9
Brazil	28.2	(5.0)	23.2
International	17.8	(10.9)	6.9
Group brand contribution	**559.6**	**(51.6)**	**508.0**

NON-GAAP RECONCILIATIONS

Adjusting items

The group includes adjusting items which are charges and credits included in the financial statements that are disclosed separately because it considers such disclosures allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

The adjusting items include those items of income and expense which, because of the size, nature or infrequency of the events giving rise to them, merit separate presentation.

Adjusting items include acquisition related amortisation and fair value movements on financial instruments where hedge accounting cannot be applied on future transactions and also where hedge ineffectiveness is recognised. These items have been included within adjusting items because they are non-cash and do not form part of how management assess performance.

In the current period acquisition related amortisation has been included within adjusting items in order to simplify the Group's financial reporting. This has resulted in adjusted EBIT replacing adjusted EBITA as one of the Group's KPIs. This however in practice has no impact on the amounts reported due to the reclassification of acquisition related amortisation.

	Notes	52-week period ended 30 September 2018 £m	52-week period ended 1 October 2017 £m
Strategic restructuring – business capability programme	(a)	(40.3)	(24.7)
Reversal of impairments of trademarks	(b)	11.5	9.2
Impairments of trademarks	(b)	-	(6.6)
Costs in relation to the acquisition and integration of subsidiaries	(c)	-	(3.7)
Net gain on sale of properties	(d)	-	0.3
Costs in relation to the closure of operations		-	(0.2)
Fair value movements	(e)	(0.1)	3.9
Acquisition related amortisation	(f)	(11.0)	(10.7)
Total included in operating profit		**(39.9)**	**(32.5)**
Fair value movements	(e)	-	1.1
Total included in finance income		**-**	**1.1**
Fair value movements	(e)	(0.5)	–
Unwind of discount on deferred consideration	(g)	-	(4.9)
Finance costs in relation to the acquisition and integration of subsidiaries	(h)	-	(0.3)
Total included in finance costs		**(0.5)**	**(5.2)**
Total included in net finance costs		**(0.5)**	**(4.1)**
Tax on adjusting items included in profit before tax		6.9	4.1
Impact of change on France tax rate on deferred tax relating to acquisition fair value adjustments		2.2	5.0
Total included in taxation		**9.1**	**9.1**
Net adjusting items		**(31.3)**	**(27.5)**

a) Strategic restructuring – business capability programme relates to a restructuring of supply chain and operating model to enhance commercial capabilities in Britvic GB, Ireland, France and Brazil including the closure of the Norwich site. Primarily these costs relate to employee costs, advisors fees and dual running supply chain costs.

b) Net reversal of impairments of trademarks –In the current year this relates to a further reversal of impairment in the Ballygowan trademark. In the prior year these comprised of a reversal of impairment in the Ballygowan trademark of £9.2m offset by an impairment in the Britvic brand in Ireland of £2.2m and an impairment in the Fruite brand in France of £4.4m.

c) Costs primarily relating to the acquisition and integration of Bela Ischia Alimentos Ltda (Bela Ischia) offset by the release of provisions for Empresa Brasileira de Bebidas e Alimentos SA (Ebba).

d) The net gain on sale of properties relates to various properties sold during the prior period in Britvic Ireland and Britvic France.

e) 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 including gains on FX forwards taken out as part of cash management for expected future payments in relation to the deferred consideration of the purchase of Ebba.

f) Acquisition related amortisation – relates to the amortisation of intangibles recognised on the acquisitions in Ireland, France and Brazil.

g) The final tranche of deferred consideration for Ebba was paid on 2 October 2017. This amount had been included on acquisition discounted to net present value. This represents the unwind of this discount until October 2017.

h) These costs relate to tax on funds injected into Brazil in the prior year.

Adjusted profit

	52-week period ended 30 September 2018 £m	52-week period ended 1 October 2017 £m
Operating profit as reported	166.1	163.0
Add back adjusting items in operating profit	39.9	32.5
Adjusted EBIT	**206.0**	**195.5**
Acquisition related amortisation	(11.0)	(10.7)
Net finance costs	(20.3)	(24.2)
Add back adjusting net finance costs	0.5	4.1
Adjusted profit before tax	**175.2**	**164.7**
Taxation	(28.7)	(27.2)
Less adjusting tax credit	(9.1)	(9.1)
Adjusted profit after tax	**137.4**	**128.4**
Adjusted effective tax rate	**21.6%**	**22.0%**

Earnings per share

	2018 £m	2017 £m
Adjusted basic earnings per share		
Profit for the period attributable to equity shareholders	117.1	111.6
Add: Net impact of adjusting items	31.3	27.5
	148.4	139.1
Weighted average number of ordinary shares in issue for basic earnings per share	263.7	263.0
Adjusted basic earnings per share	**56.3p**	**52.9p**
Adjusted diluted earnings per share		
Profit for the period attributable to equity shareholders before adjusting items and acquisition related intangible assets amortisation	148.4	139.1
Weighted average number of ordinary shares in issue for diluted earnings per share	265.4	264.3
Adjusted diluted earnings per share	**55.9p**	**52.6p**

Like-for-like

	Revenue £m	Adjusted EBIT £m
2017		
52-week period ended 1 October 2017, as reported and restated	1,430.5	195.5
Adjust for FX	(10.2)	1.3
52-week period ended 1 October 2017 @ constant currency	**1,420.3**	**196.8**
2018		
52-week period ended 30 September 2018, as reported	1,503.6	206.0
Bela Ischia to 2 March 2018 (anniversary of acquisition)	(12.2)	(1.4)
Soft Drinks Levy	(33.2)	-
2018 “like for like” with 2017	**1,458.2**	**204.6**

Other costs

	52-week period ended 1 October 2017 IFRS 15 restated £m	Expense reclass* £m	52-week period ended 1 October 2017 Adjusted £m
Non-brand advertising & promotion	(10.1)	-	(10.1)
Fixed supply chain	(105.1)	6.5	(98.6)
Selling costs	(81.7)	1.3	(80.4)
Overheads and other costs	(115.6)	(7.8)	(123.4)
Total	**(312.5)**	**-**	**(312.5)**

* Certain expenses have been reclassed for reporting purposes to better reflect the nature of these costs following a group restructuring

Free cash flow

	52-week period ended 30 September 2018 £m	52-week period ended 1 October 2017 £m
Adjusted EBIT	**206.0**	**195.5**
Depreciation	44.8	40.3
Amortisation (non-acquisition related)	7.4	8.3
Adjusted loss on disposal of PPE	1.4	2.0
Adjusted EBITDA	**259.6**	**246.1**
Adjusted working capital movements	15.5	26.0
Purchases of intangible and tangible assets	(143.5)	(146.7)
Net pension charge less contributions	(22.1)	(22.1)
Net Interest and finance costs	(19.0)	(19.5)
Adjusted income tax paid	(28.1)	(31.7)
Share based payments	5.6	6.3
Issue of shares	1.0	0.7
Purchase of own shares	(3.1)	(5.3)
Other	(0.9)	0.7
Adjusted free cash flow	**65.0**	**54.5**