Britvic plc Interim Results – 24 May 2017

Covering the 28 weeks ended 16 April 2017.

"A strong first half performance, confident of meeting market expectations for FY17"

Group Financial Headlines:

- Revenue increased 11.5% to £756.3m
- Pre-exceptional EBITA* increased 6.7% to £73.6m
- Organic revenue* increased 3.7% and organic pre-exceptional EBITA* increased 5.1%
- Profit after tax decreased 4.9% to £38.6m, impacted by £5.8m of exceptional and other items
- Adjusted earnings per share* increased 9.2% to 18.9p
- Interim dividend per share of 7.2p, an increase of 2.9%

Strategic highlights:

- Strong revenue growth, with all business units in growth compared to last year
- Organic pre-exceptional EBITA margin* increased 10bps
- Successful management of cost inflation through disciplined revenue management and cost efficiency
- Actions taken to deliver £5m overhead savings in FY17
- Complementary bolt-on acquisition of Bela Ischia completed in Brazil, integration underway and on track to deliver R$10m of cost synergies
- Building quality distribution of Fruit Shoot in the USA
- Business Capability Programme, on track to deliver substantial cost benefits and commercial flexibility

	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change Actual Exchange Rate	% change Organic Constant Exchange Rate
Revenue	756.3	678.0	11.5%	3.7%
Pre-exceptional EBITA*	73.6	69.0	6.7%	5.1%
Pre-exceptional EBITA margin*	9.7%	10.2%	(50)bps	+10bps
Profit after tax	38.6	40.6	(4.9)%	-
Basic EPS	14.7p	15.5p	(5.2)%	-
Adjusted EPS*	18.9p	17.3p	9.2%	-
Interim dividend per share	7.2p	7.0p	2.9%	
Adjusted net debt/EBITDA	2.4x	2.0x	(0.4)x	

** Items marked with an asterisk throughout this document are non-GAAP measures, definitions and relevant reconciliations are provided in the Glossary on page 10.*

Simon Litherland, Chief Executive Officer commented:

"Britvic has delivered a strong first half performance driven by organic revenue growth in all our markets and successful management of input cost inflation. We have continued to make progress delivering our strategic priorities and have exciting commercial plans for the second half of the year. I am confident that we will deliver full year performance in line with market expectations."

For further information please contact:

Investors:

Steve Nightingale (Director of Investor Relations)	+44 (0) 7808 097784

Media:

Victoria McKenzie-Gould (Director of Corporate Relations)	+44 (0) 7885 828342
Ben Foster (Teneo Blue Rubicon)	+44 (0) 203 603 5220

There will be a live webcast of the presentation given today at 10:00am 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.

<u>Notes to editors</u>

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 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 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 15 April 2017. ROI take-home market data referred to in this announcement is supplied by Nielsen and runs to 26 March 2017. French market data is supplied by IRI and runs to 2 April 2017.

<u>Next scheduled announcement</u>

Britvic will publish its quarter three interim management statement on 27 July 2017.

Chief Executive Officer’s Strategic Review

This year we have continued to make strong progress delivering our long term strategic goals. The challenges we face in all our markets have been well documented, however our relentless focus on meeting consumer needs, successfully executing our commercial plans and driving cost efficiency has translated into a strong first half performance. We have delivered revenue growth in all our markets, and our pre-exceptional EBITA* increased by 6.7%, enabling us to declare a 2.9% increase in the interim dividend.

Generate profitable growth in our core markets

GB

The GB soft drinks market, as measured by Nielsen, is now showing value growth ahead of volume. In all our markets, we have experienced rising costs from underlying cost inflation and in GB we have faced the additional burden from the weakening of sterling leading to further cost increases for raw materials we purchase in either Euro or US Dollar. We have led the value growth in the soft drinks category and focused on driving value ahead of volume to protect our profitability. We have continued to benefit from a strong performance in our portfolio of immediate refreshment packs, as well as in channels such as leisure and foodservice, where we are winning and retaining major accounts such as Mitchells & Butlers, Subway and KFC.

In the carbonates category, our focus on no and low sugar offerings has continued to resonate with consumers. Despite a highly competitive grocery market, Pepsi Max has continued to gain volume and value share and we have seen a good performance across the portfolio. In GB Stills, whilst we have seen a decline in revenue, our performance trajectory has continued to improve and we returned to volume growth. Robinsons in particular, whilst facing pricing pressure in grocery, grew volume through a stabilisation of the core pack formats and successful targeting of new occasions via new pack formats such as Squash’d, dispense and core range bottle sizes – with this innovation generating 12% of brand revenue this year.

I am encouraged by the performance of our recent innovations such as Drench and Purdey’s, which we believe offer significant future growth opportunities. Both brands are in strong growth and we have recently extended Drench with the introduction of a range of sparkling variants. In the second half of the year we will benefit from the new Pepsi Max Ginger variant and the launch of Robinsons “REFRESH’D”. This ready to drink format offers a natural formulation with no artificial ingredients and no added sugar, enabling consumers to enjoy tasty, healthy hydration and the initial trade and consumer response has been very positive.

France

The soft drinks market, as measured by IRI, has remained subdued, reflecting both the challenging trading conditions and the continued impact of the consolidation of procurement by grocery retailers. Despite these headwinds, we have seen a strong start to the year, driven by the growth of our branded portfolio. We have focused our brand marketing on Pressade ahead of Fruité and this was the main success in the first half, driven by the introduction of the “Bonjour” range of breakfast time juices. In addition, Fruit Shoot has continued to grow, benefiting from the recent introduction of an Iced Tea flavour variant. In the second half of the year we are adding another new flavour variant of Fruit Shoot, a higher juice Fruit Shoot range called Fruizeo and extending the appeal of Pressade with the launch of a new range of organic syrups.

Ireland

The year has started very well in Ireland, with growth in both our own brand portfolio and the Counterpoint wholesale business. The biggest drivers have been Ballygowan water and MiWadi squash, both benefiting from the consumer trend towards healthy hydration. MiWadi has also benefited from the growth of the Zero sugar range and the recent introduction of the MiWadi Mini super concentrate pack format. Growth in Counterpoint has been further boosted by additional business in Dublin following the successful completion of the acquisition of East Coast.

Realise global opportunities in kids, family and adult categories

Following an excellent first year in Brazil, we acquired Bela Ischia in March of this year. Bela Ischia is a strong and well recognised consumer brand with its largest presence in the key areas of Rio de Janeiro and Minas Gerais. The acquisition strengthens both Britvic's brand portfolio and geographical footprint by complementing our existing strengths in Sao Paulo and the North East. The acquisition will realise cost savings of at least R$10m, principally from efficiencies in procurement, production, logistics and administration.

Trading in Brazil in the first half of this year has been challenging, reflecting the current volatile macro-economic environment. Despite this, we have delivered organic revenue growth as a result of the price increases implemented to recover the impact of inflation. Last year we introduced Maguary Fruit Shoot into Sao Paulo and following its initial success we are now using the combined Ebba and Bela Ischia footprint to expand its presence further in Brazil, launching across Sao Paulo state and into Rio de Janeiro. Whilst the macro environment is likely to remain challenging in the short-term, I am very confident that we have built a strong platform for future growth.

Fruit Shoot in the USA has made further progress following the launch of the multi-pack last year. We have continued to grow multi-pack distribution, improving our packs, launching a new Fruit Punch variant and focusing on delivering consistent in-store execution. Later this year, we will further expand our range with the introduction of Hydro flavoured water, whilst our efforts will continue to focus on building both consumer trial and brand awareness through sampling, digital marketing and consistent on-shelf presentation. The single-serve pack format has continued to progress, building listings following the route to market transition and securing additional chiller placements.

Continue to step change our business capability

2017 finds us right in the middle of our three-year, £240m business capability investment programme. The large PET line installed in Leeds last year is now fully operational, delivering the planned cost savings and starting to unlock some of the anticipated commercial benefits. As well as a new 1.5 litre PET contour bottle, we have launched a 3 litre PET carbonates pack that is facilitating access to new commercial opportunities. Our Rugby factory is undergoing substantial change this year, with major groundworks, three new can lines and preparation for a new aseptic line all underway. At our London site, the new large PET line is now fully operational. Undergoing such a major change programme has required a huge effort and level of commitment from the Britvic team. Implementation challenges are inevitable with a programme of this scale and I am proud of how the team continue to overcome obstacles and keep us on schedule and on-track to deliver the planned benefits. Once complete, this programme will step change our ability to compete in the market and give us a fantastic platform to grow the business.

Build trust and respect in our communities

The investment in our supply chain is also leading to broader environmental as well as efficiency and commercial benefits. In FY16 our new high-speed PET line in Leeds meant we could lightweight our bottles which avoided the use of 155 tonnes of PET packaging, equivalent to saving 443 tonnes of CO_2. Already in the first half of this year our investment has led to a 6% reduction in our water ratio and a 3% reduction in our effluent ratio.

Public health is a key plank of our Trusted and Respected pillar, and playing a proactive role in helping to address obesity has been an integral part of our business strategy since 2013. We have taken bold steps to help consumers make healthier choices through reformulating our drinks with no compromise on taste or quality, innovation in our products and range, and using the power of our brands responsibly. Our actions have led to an annualised calorie reduction across our portfolio of 19 billion since 2012, and our innovation pipeline has been significantly weighted towards better for you products for some time. We were the first UK soft drinks company to introduce stevia and we removed the added sugar Fruit Shoot range in GB in 2014 and the added sugar Robinsons range in summer 2015. We have a Responsible Marketing Code and do not market to under 12s. We do not advertise high sugar products to under 16s and 83% of all advertising spend in GB in FY16 was on low/no sugar products. Since 2005, all Pepsi advertising has been led with sugar-free Pepsi MAX.

In the first half of the year we have continued to focus our innovation on low and no sugar products with the launch of Club Zero Rock Shandy in Ireland. We have also continued to work with our customers to make it easier for consumers to make healthier choices. From July 2016 to July 2017, Subway stores will have removed around 3.7 billion calories from British diets after converting to the Britvic/PepsiCo portfolio.

Finally, I am delighted that Britvic has for the first time been listed in the independent 'Great Place to Work' rankings in all of GB, France and Ireland. Britvic was the only soft drinks firm listed in GB. This is testament to both the quality of our people and their commitment to the business.

Outlook

We have again demonstrated in the first half our ability to deliver our strategic priorities in the face of a challenging external environment. As well as producing a good first half financial performance we have continued to progress on our long-term growth drivers and we are excited by the opportunities that we have in our core markets and internationally. With a portfolio of market leading brands, strong marketing plans for the important summer period and clear strategic priorities for the balance of the year we remain confident of meeting market expectations for the full year.

Chief Financial Officer's Review

Overview

In the period, we sold over 1.1 billion litres of soft drinks, an increase of 2.0% on the previous year, with Average Realised Price (ARP*) of 61.8p, increasing by 1.5% on a constant currency basis. Revenue was £756.3m, an increase of 11.5% (AER) compared to last year and 3.7% on an organic constant currency basis. Pre-exceptional EBITA* increased 6.7% (AER) to £73.6m, and pre-exceptional EBITA* margin decreased 50bps (AER). Organic margin, on a constant currency basis, increased by 10bps.

GB carbonates	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change
Volume (million litres)	644.4	631.2	2.1
ARP* per litre	46.7p	46.5p	0.4
Revenue	301.1	293.8	2.5
Brand contribution*	114.2	117.7	(3.0)
Brand contribution margin*	37.9%	40.1%	(220) bps

GB carbonates generated strong growth in the period as a result of both volume and ARP growth. Brand contribution margin decreased as a result of adverse mix, impact of foreign exchange on raw materials and increased product costs impacting ahead of revenue management actions. Second quarter revenue was flat, reflecting our leadership of new price and promotional changes in grocery. Despite the headwinds and a competitive cola category Pepsi, led by Max, grew revenue and gained market share. Both Purdey's and R Whites, which were relaunched last year, also delivered robust growth in the first half of the year.

GB stills	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change
Volume (million litres)	177.0	174.3	1.5
ARP* per litre	81.3p	84.7p	(4.0)
Revenue	143.9	147.7	(2.6)
Brand contribution*	66.9	69.7	(4.0)
Brand contribution margin*	46.5%	47.2%	(70) bps

GB stills revenue declined in the first half of the year, with a 1.5% volume increase outweighed by a 4.0% ARP decline. The ARP decline was due to both adverse brand mix and pricing weakness in the squash category. Encouragingly Q2 generated volume growth of nearly 4%. Robinsons benefited from the introduction of new at-home pack formats and growth out-of-home, where it is now available on dispense in chains such as Subway and KFC. Fruit Shoot benefited from growth in the flavoured water variant Hydro and the high juice My5 variant, both generating double-digit volume increases. J20 declined in the second quarter as it transitioned to new promotional price points in grocery.

France	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change actual exchange rate	% change constant exchange rate
Volume (million litres)	142.1	137.7	3.2	3.2
ARP* per litre	94.8p	78.9p	20.2	3.2
Revenue	134.7	108.6	24.0	6.5
Brand contribution*	38.0	31.5	20.6	3.8
Brand contribution margin*	28.2%	29.0%	(80) bps	(70) bps

Performance in France was strong in the first half, with volume and ARP growth resulting in a 6.5% increase in revenue. Pressade was the primary driver of growth, largely as a result of the "Bonjour" juice range launch. Fruit Shoot revenue increased over 10%, supported by the launch of a new Iced Tea variant. Brands continued to grow ahead of private label and now account for 62% of revenue, compared to 50% on acquisition in 2010. The higher margin syrups brands were broadly flat during the period.

Ireland	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change actual exchange rate	% change constant exchange rate
Volume (million litres)	112.0	104.2	7.5	7.5
ARP* per litre	54.7p	49.1p	11.4	(1.1)
Revenue	80.3	62.9	27.7	13.3
Brand contribution*	27.2	21.5	26.5	10.6
Brand contribution margin*	33.9%	34.2%	(30) bps	(80) 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

Ireland has continued to grow, with both owned brands and Counterpoint wholesale revenue increasing. Owned brand growth was led by the stills portfolio, with Ballygowan and MiWadi the major growth drivers. Counterpoint benefited from an improved offering across its alcohol and snacks range as well as a small benefit from the acquisition of East Coast towards the end of the period. Whilst brand contribution increased, margin declined largely as a result of adverse mix and rising product costs impacting ahead of revenue management actions.

International	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change actual exchange rate	% change constant exchange rate
Volume (million litres)	19.0	18.9	0.5	0.5
ARP* per litre	137.9p	110.6p	24.7	13.3
Revenue	26.2	20.9	25.4	13.9
Brand contribution*	8.6	3.9	120.5	109.8
Brand contribution margin*	32.8%	18.7%	1,410 bps	1,500 bps

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

International has generated revenue growth across all channels with the exception of Asia, following the withdrawal from India last year. The USA has benefited from the launch of Fruit Shoot multi-pack last year as well as continued growth of singles. Whilst volumes in Benelux were subdued, both revenue and brand contribution have increased as a result of disciplined revenue management and a focus on value ahead of volume. Offsetting the USA volume growth was a decline in the Travel & Export sector following a decision to withdraw from unprofitable contracts. Brand contribution increased significantly as a result of the strong pricing growth in Benelux and growth in the USA.

Brazil	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change actual exchange rate	% change organic constant exchange rate
Volume (million litres)	98.1	102.6	(4.4)	(10.0)
ARP* per litre	71.5p	43.0p	66.3	15.6
Revenue	70.1	44.1	59.0	4.0
Brand contribution*	14.4	9.1	58.2	3.3
Brand contribution margin*	20.5%	20.6%	(10) bps	(20) bps

Brazil has benefited from the inclusion of Bela Ischia, following the acquisition completion in early March and the impact of foreign exchange movements. The underlying organic, constant currency performance of Ebba across the first half was impacted by the well documented macro-economic challenges in the country. Underlying organic revenue increased 4.0% as a result of significant price increases to recover cost inflation, whilst underlying organic volume declined 10.0%. Reported and underlying organic margin declined largely as a result of phasing of price increases to recover product cost inflation.

Fixed costs	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	% change actual exchange rate	% change organic constant exchange rate
Non-brand A&P*	(5.4)	(6.5)	16.9	18.0
Fixed supply chain	(56.4)	(50.2)	(12.4)	(3.9)
Selling costs	(67.6)	(62.2)	(8.7)	(1.1)
Overheads and other	(71.7)	(69.1)	(3.8)	2.6
Total	(201.1)	(188.0)	(7.0)	0.1
Total A&P investment	*(31.5)*	*(31.6)*	*0.3*	*4.8*
A&P as a % of own-brand revenue	*4.3%*	*4.7%*	*(40) bps*	*(30) bps*

A&P spend declined £0.1m (AER) and by £1.6m on a constant currency basis, as a result of efficiencies in our non-working A&P spend, which continues to reduce as a percentage of our overall investment. Fixed supply chain costs have increased largely as a result of incremental depreciation from our GB investment programme, whilst overheads and other costs have benefitted from our rigorous approach to cost control. We took proactive cost action by extending our business capability programme to incorporate £5m of overhead savings, and we have implemented the actions to deliver this benefit in 2017. This includes a flattening of our structure in some areas as well as reducing duplication between our business units through the combination of some roles.

Exceptional and other items

In the period, we accounted for a net charge of £7.2m of pre-tax (£5.8m post tax) exceptional and other costs. These include:

- Acquisition and integration costs of £2.1m
- Costs in relation to closure of operations in India of £0.1m
- Strategic restructuring – business capability programme of £11.2m
- Net impairment reversal of intangible asset carrying value £2.6m
- Fair value gains of £6.2m
- Unwind of discount on deferred consideration of £2.6m

The cash costs of exceptional and other items in the period were £15.3m. Further detail on exceptional and other items can be found on page 11 of the financial statements.

Interest

The net finance charge before exceptional and other items for the 28-week period for the group was £11.0m compared with £10.9m in the prior year.

Taxation

The underlying tax charge was £12.9m which equates to an effective tax rate of 22.5% (28 weeks ended 10 April 2016: 23.5%). The first half benefits from a reduction in the French corporate tax rate which has generated a one-off benefit on our deferred tax liabilities.

Earnings per share

Adjusted basic EPS* for the period was 18.9p, up 9.2% on the same period last year. Basic EPS for the period was 14.7p compared with 15.5p for the same period last year.

Dividends

The board is recommending an interim dividend of 7.2p per share, an increase of 2.9% on the dividend declared last year, with a total value of £19.0m. The interim dividend will be paid on 14 July 2017 to shareholders on record as at 2 June 2017. The ex-dividend date is 1 June 2017.

Cash flow and net debt

Underlying free cash flow* was a £32.7m outflow, compared to a £46.9m outflow the previous year. Working capital generated an outflow of £12.8m (2016: £49.5m) benefiting from the reversal of the additional payment run incurred in 2016, due to the additional week last year and a continued focus on working capital management across the business. Inventory costs increased due to a pro-active decision to build stock to mitigate risk from the business capability programme. Capital expenditure was £29.5m higher than last year, driven by the continuation of the transformational business capability programme in GB. Overall adjusted net debt* increased by £133.9m and took our leverage to 2.4x EBITDA* from 2.0x last year. Half year net debt is a high point for the group as a result of stock building ahead of the peak summer trading period.

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 16 April 2017 the group had £1,075.4m 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 2017 and 2032, providing the business with a secure funding platform.

At 16 April 2017, the group's unadjusted net debt of £731.1m (excluding derivative hedges) consisted of £49.9m drawn under the group's committed bank facilities, £675.4m of private placement notes, £5.4m of accrued interest and £2.7m of finance leases, offset by net cash and cash equivalents of £40.7m and unamortised loan issue costs of £2.3m. 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 £572.8m which compares to £438.9m at 10 April 2016.

Pensions

At 16 April 2017, the group had IAS 19 pension surpluses in GB and NI totalling £14.4m and IAS 19 pension deficits in ROI and France totalling £7.5m resulting in a net pension surplus of £6.9m (2 October 2016: net liability of £17.4m). The net surplus has increased primarily due to changes in the financial assumptions and additional employer contributions made to the GB plan of £20.0m partially offset by changes in demographic assumptions. 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 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. The 31 March 2016 actuarial valuation of the GB plan was recently completed. Agreement has been made with the scheme 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 schemes have an investment strategy journey plan to manage the risks as the funding position improves. The GB Pension scheme mainly has credit-type investments and the Trustees have developed proposals to manage the investment risks.

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 perform 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, 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 in the future are set out on pages 28 to 31 of the 2016 annual report.

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.

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.

Pre-exceptional EBITDA is a non-GAAP measure defined as operating profit before exceptional and other items, depreciation, amortisation, impairment of PPE/intangible assets and profit/loss from sale of PPE/intangible assets.

Pre-exceptional EBITA is a non-GAAP measure and 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 £5.3m (2016: £3.6m). EBITA margin is EBITA as a proportion of group revenue.

Adjusted earnings per share are 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 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 262.9m (2016: 261.1m).

Underlying free cash flow is a non-GAAP measure and is defined as net cash flow excluding movements in borrowings, dividend payments and exceptional and other 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.

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.

Quality distribution is a measure used to describe the placement of products in the appropriate outlets for the specified product.

Retail market value and volume is a measure and 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 currency is a non-GAAP measure of performance in the underlying currency to eliminate the impact of foreign exchange movements.

Great Place to Work (GPTW) is a methodology process adopted by businesses to measure employee engagement.

Non-GAAP reconciliations

Organic

	Revenue	EBITA
HY16	**£m**	**£m**
28-week period ended 10 April 2016, as reported	678.0	69.0
Adjust for FX	47.2	0.5
28-week period ended 10 April 2016 @ constant currency	**725.2**	**69.5**
HY17		
28-week period ended 16 April 2017, as reported	756.3	73.6
Bela Ischia	(4.2)	(0.5)
HY17 Organic with HY16	**752.1**	**73.1**

EBITDA

	28-week period ended 16 April 2017	28-week period ended 10 April 2016
	£m	**£m**
Operating profit before exceptional and other items	68.3	65.4
Acquisition related amortisation (note 9 interim accounts	5.3	3.6
Pre-exceptional EBITA	**73.6**	**69.0**
Depreciation	21.5	17.1
Amortisation (non-acquisition related)	4.6	4.6
Pre-exceptional loss/(profit) on disposal of PPE	0.8	(0.1)
Pre-exceptional EBITDA	**100.5**	**90.6**

Free cash flow

	28-week period ended 16 April 2017 £m	28-week period ended 10 April 2016 £m
Pre-exceptional EBITDA	100.5	90.6
Pre-exceptional working capital movements	(12.8)	(49.5)
Purchases of intangible and tangible assets	(76.8)	(47.3)
Net pension charge less contributions	(21.6)	(22.6)
Net Interest and finance costs	(10.2)	(9.8)
Income tax paid	(14.0)	(16.2)
Share based payments	4.2	5.2
Issue of shares	0.9	3.8
Purchase of own shares	(3.2)	(1.6)
Other	0.3	0.5
Underlying free cash flow	**(32.7)**	**(46.9)**

BRITVIC PLC

INTERIM FINANCIAL STATEMENTS
FOR THE 28 WEEKS ENDED 16 APRIL 2017

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 16 April 2017. 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: 23 May 2017

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 16 April 2017 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 19. We have read the other information contained in the interim 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 Guidance 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 16 April 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Birmingham

Date: 23 May 2017

BRITVIC PLC

CONSOLIDATED INCOME STATEMENT
For the 28 weeks ended 16 April 2017

		28 weeks ended 16 April 2017 (unaudited)			28 weeks ended 10 April 2016 (unaudited)			53 weeks ended 2 October 2016 (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		756.3	-	756.3	678.0	-	678.0	1,431.3	-	1,431.3
Cost of sales		(363.0)	-	(363.0)	(313.1)	-	(313.1)	(659.3)	-	(659.3)
Gross profit		**393.3**	-	**393.3**	**364.9**	-	**364.9**	**772.0**	-	**772.0**
Selling and distribution costs		(221.9)	(3.4)	(225.3)	(198.9)	-	(198.9)	(402.3)	-	(402.3)
Administration expenses		(103.1)	(2.1)	(105.2)	(100.6)	1.4	(99.2)	(191.0)	(2.3)	(193.3)
Operating profit/(loss)		**68.3**	**(5.5)**	**62.8**	**65.4**	**1.4**	**66.8**	**178.7**	**(2.3)**	**176.4**
Finance income		0.4	1.1	1.5	1.2	0.3	1.5	1.7	0.7	2.4
Finance costs		(11.4)	(2.8)	(14.2)	(12.1)	(2.3)	(14.4)	(22.5)	(4.4)	(26.9)
Profit/(loss) before tax		**57.3**	**(7.2)**	**50.1**	**54.5**	**(0.6)**	**53.9**	**157.9**	**(6.0)**	**151.9**
Taxation		(12.9)	1.4	(11.5)	(12.8)	(0.5)	(13.3)	(36.3)	(1.1)	(37.4)
Profit/(loss) for the period attributable to the equity shareholders		**44.4**	**(5.8)**	**38.6**	**41.7**	**(1.1)**	**40.6**	**121.6**	**(7.1)**	**114.5**
Earnings per share										
Basic earnings per share	9			14.7p			15.5p			43.8p
Diluted earnings per share	9			14.6p			15.4p			43.5p
Adjusted basic earnings per share**	9			18.9p			17.3p			49.3p
Adjusted diluted earnings per share**	9			18.8p			17.2p			49.0p

* 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.

BRITVIC PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(EXPENSE)
For the 28 weeks ended 16 April 2017

	Note	28 weeks ended 16 April 2017 (unaudited) £m	28 weeks ended 10 April 2016 (unaudited) £m	53 weeks ended 2 October 2016 (audited) £m
Profit for the period attributable to the equity shareholders		38.6	40.6	114.5
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement gains/(losses) on defined benefit pension schemes		2.6	(36.1)	(58.7)
Deferred tax on defined benefit pension schemes		(3.1)	5.2	8.7
Current tax on additional pension contributions		2.9	3.0	3.3
Deferred tax on other temporary differences		-	-	0.2
		2.4	(27.9)	(46.5)
Items that may be subsequently reclassified to profit or loss				
Gains in the period in respect of cash flow hedges	15	10.1	26.1	68.5
Amounts recycled to the income statement in respect of cash flow hedges	15	(20.4)	(22.6)	(64.1)
Amounts recycled to goodwill on acquisition of subsidiary		-	10.2	10.2
Tax recycled to goodwill on acquisition of subsidiary		-	(2.0)	(2.0)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve		1.5	(0.5)	(0.7)
Exchange differences on translation of foreign operations	15	6.5	16.4	36.5
Tax on exchange differences accounted for in the translation reserve		(0.9)	1.9	3.9
		(3.2)	29.5	52.3
Other comprehensive (expense)/income for the period net of tax		(0.8)	1.6	5.8
Total comprehensive income for the period attributable to the equity shareholders		**37.8**	**42.2**	**120.3**

BRITVIC PLC

CONSOLIDATED BALANCE SHEET

As at 16 April 2017

	Note	16 April 2017 (unaudited) £m	10 April 2016 (unaudited) £m	2 October 2016 (audited) £m
Assets				
Non-current assets				
Property, plant and equipment	11	423.6	299.5	382.4
Intangible assets	11	458.1	387.3	417.9
Other receivables		7.5	2.9	4.4
Derivative financial instruments	15	95.6	76.9	98.6
Deferred tax assets		7.5	2.9	6.5
Pension asset	17	14.4	13.6	0.6
		1,006.7	**783.1**	**910.4**
Current assets				
Inventories		143.5	111.9	112.7
Trade and other receivables		336.8	316.7	317.9
Current income tax receivables		3.5	2.7	5.1
Derivative financial instruments	15	40.0	57.1	81.0
Cash and cash equivalents		40.7	66.8	205.9
		564.5	**555.2**	**722.6**
Non-current assets held for sale		1.4	2.8	1.4
Total assets		**1,572.6**	**1,341.1**	**1,634.4**
Current liabilities				
Trade and other payables		(445.9)	(401.9)	(437.2)
Interest-bearing loans and borrowings	12	(120.1)	(161.2)	(288.1)
Derivative financial instruments	15	(1.7)	(0.9)	(1.1)
Current income tax payable		(6.5)	(10.8)	(13.1)
Provisions		(3.8)	(0.4)	(6.8)
Other current liabilities		(37.0)	(2.4)	(33.1)
		(615.0)	**(577.6)**	**(779.4)**
Non-current liabilities				
Interest-bearing loans and borrowings	12	(611.0)	(455.0)	(491.7)
Deferred tax liabilities		(52.6)	(48.2)	(53.0)
Pension liability	17	(7.5)	(10.7)	(18.0)
Derivative financial instruments	15	(1.8)	(0.8)	(4.3)
Provisions		(6.0)	(1.5)	(5.9)
Other non-current liabilities		(3.4)	(27.3)	(1.1)
		(682.3)	**(543.5)**	**(574.0)**
Total liabilities		**(1,297.3)**	**(1,121.1)**	**(1,353.4)**
Net assets		**275.3**	**220.0**	**281.0**
Capital and reserves				
Issued share capital	13	52.7	52.5	52.6
Share premium account		132.7	128.0	129.1
Own shares reserve		(2.2)	(2.1)	(3.3)
Other reserves		143.8	123.8	146.5
Retained losses		(51.7)	(82.2)	(43.9)
Total equity		**275.3**	**220.0**	**281.0**

BRITVIC PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
For the 28 weeks ended 16 April 2017

	Note	28 weeks ended 16 April 2017 (unaudited) £m	28 weeks ended 10 April 2016 (unaudited) £m	53 weeks ended 2 October 2016 (audited) £m
Cash flows from operating activities				
Profit before tax		50.1	53.9	151.9
Finance costs		12.7	12.9	24.5
Other financial instruments		(5.0)	(6.9)	(13.6)
Impairment of property, plant and equipment and intangible assets		(2.6)	-	0.7
Depreciation		21.5	17.0	33.2
Amortisation		9.9	8.3	16.3
Share-based payments		4.2	5.2	6.6
Net pension charge less contributions		(21.6)	(22.6)	(25.9)
Increase in inventory		(19.4)	(6.7)	(0.3)
(Increase)/decrease in trade and other receivables		(10.0)	1.8	10.9
Increase/(decrease) in trade and other payables		20.1	(44.5)	(40.3)
(Decrease)/increase in provisions		(3.2)	(0.9)	3.3
Loss/(profit) on disposal of tangible and intangible assets		1.9	0.7	(0.3)
Income tax paid		(14.0)	(19.6)	(34.2)
Net cash flows from operating activities		**44.6**	**(1.4)**	**132.8**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-	0.7	6.7
Purchase of property, plant and equipment		(74.5)	(43.3)	(114.2)
Purchase of intangible assets		(2.3)	(4.0)	(7.7)
Interest received		0.5	1.2	1.7
Acquisition of subsidiary, net of cash acquired	10	(60.9)	(41.2)	(41.2)
Net cash flows used in investing activities		**(137.2)**	**(86.6)**	**(154.7)**
Cash flows from financing activities				
Interest paid, net of derivative financial instruments		(10.7)	(12.2)	(22.2)
Interest-bearing loans drawndown/(repaid)	12	(67.8)	3.7	104.5
Acquired debt repaid		-	(38.0)	(38.0)
Repayment of USPP Notes	12	(119.6)	-	-
Drawdown of 2017 USPP	12	175.0	-	-
Issue costs paid	12	(0.5)	-	-
Issue of shares relating to incentive schemes for employees		0.9	5.1	5.9
Issue of shares under a non pre-emptive placing, net of costs		-	(1.3)	(1.1)
Purchase of own shares		(4.1)	(1.6)	(2.1)
Dividends paid to equity shareholders	14	(45.9)	(42.6)	(60.9)
Net cash flows used in financing activities		**(72.7)**	**(86.9)**	**(13.9)**
Net decrease in cash and cash equivalents		**(165.3)**	**(174.9)**	**(35.8)**
Cash and cash equivalents at beginning of period		205.9	239.6	239.6
Exchange rate differences		0.1	2.1	2.1
Cash and cash equivalents at the end of the period		**40.7**	**66.8**	**205.9**
By balance sheet category:				
Cash and cash equivalents		40.7	66.8	205.9
		40.7	**66.8**	**205.9**

BRITVIC PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 28 weeks ended 16 April 2017

	Issued share capital	Share premium account	Own shares reserve	Other reserves (note 19)	Retained losses	Total
	£m	£m	£m	£m	£m	£m
At 2 October 2016 (audited)	52.6	129.1	(3.3)	146.5	(43.9)	281.0
Profit for the period	-	-	-	-	38.6	38.6
Other comprehensive (expense)/income	-	-	-	(3.2)	2.4	(0.8)
Total comprehensive (expense)/income	-	-	-	(3.2)	41.0	37.8
Issue of shares	0.1	3.6	(3.7)	-	-	-
Own shares purchased for share schemes	-	-	(3.2)	-	-	(3.2)
Own shares utilised for share schemes	-	-	8.0	-	(8.0)	-
Movement in share-based schemes	-	-	-	-	4.8	4.8
Deferred tax on share-based payments	-	-	-	-	0.8	0.8
Movement in non-distributable profit	-	-	-	0.5	(0.5)	-
Payment of dividend	-	-	-	-	(45.9)	(45.9)
At 16 April 2017 (unaudited)	**52.7**	**132.7**	**(2.2)**	**143.8**	**(51.7)**	**275.3**

	Issued share capital	Share premium account	Own shares reserve	Other reserves (note 19)	Retained losses	Total
	£m	£m	£m	£m	£m	£m
At 27 September 2015 (audited)	52.2	123.2	(11.4)	94.1	(46.3)	211.8
Profit for the period	-	-	-	-	40.6	40.6
Other comprehensive income/(expense)	-	-	-	29.5	(27.9)	1.6
Total comprehensive income	-	-	-	29.5	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)**	**123.8**	**(82.2)**	**220.0**

BRITVIC PLC

NOTES TO THE FINANCIAL INFORMATION
For the 28 weeks ended 16 April 2017

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 53 weeks ended 2 October 2016, 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 23 May 2017.

2. Basis of preparation

These interim financial statements comprise the consolidated balance sheet as at 16 April 2017 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 19 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 16 April 2017, the consolidated balance sheet reflects a net assets position of £275.3m. The liquidity of the group remains strong supported by £675.4m of private placement notes with maturity dates between 2017 and 2032. In addition, the group has a £400.0m bank facility with a maturity date of November 2021. Details are provided in the group's 2016 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 101 - 108 of the group's 2016 annual report.

BRITVIC PLC

NOTES TO THE FINANCIAL INFORMATION
For the 28 weeks ended 16 April 2017

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 and 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 16 April 2017	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	Brazil £m	International £m	Total £m
Revenue	143.9	301.1	**445.0**	80.3	134.7	70.1	26.2	**756.3**
Brand contribution	66.9	114.2	**181.1**	27.2	38.1	14.4	8.6	**269.4**
Non-brand advertising & promotion *								(5.4)
Fixed supply chain**								(56.4)
Selling costs**								(67.6)
Overheads and other costs*								(71.7)
Operating profit before exceptional and other items								**68.3**
Net finance costs before exceptional and other items								(11.0)
Exceptional and other items								(7.2)
Profit before tax								**50.1**

BRITVIC PLC

NOTES TO THE FINANCIAL INFORMATION
For the 28 weeks ended 16 April 2017

6. Segmental reporting (continued)

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**

53 weeks ended 2 October 2016	**GB Stills £m**	**GB Carbs £m**	**Total GB £m**	**Ireland £m**	**France £m**	**Brazil £m**	**International £m**	**Total £m**
Revenue	304.4	607.7	**912.1**	133.9	244.5	89.5	51.3	**1,431.3**
Brand contribution	133.9	250.7	**384.6**	48.4	75.9	17.5	9.7	**536.1**
Non-brand advertising & promotion *								(12.2)
Fixed supply chain**								(96.9)
Selling costs**								(126.4)
Overheads and other costs*								(121.9)
Operating profit before exceptional and other items								**178.7**
Net finance costs before exceptional and other items								(20.8)
Exceptional and other items								(6.0)
Profit before tax								**151.9**

* 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 Bela Ischia into the Brazil segment (see note 10).

NOTES TO THE FINANCIAL INFORMATION
For the 28 weeks ended 16 April 2017

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 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
Cost in relation to the acquisition and integration of subsidiaries	(a)	(1.9)	(2.6)	(5.2)
Gain on held for sale properties		-	-	3.2
Strategic restructuring – cost initiatives	(b)	-	(0.5)	(0.6)
Strategic restructuring – business capability programme	(c)	(11.2)	(0.9)	(8.4)
Net reversal of impairments of trademarks	(d)	2.6	-	-
Costs in relation to the closure of operations		(0.1)	-	(2.4)
Fair value movements	(e)	5.1	5.4	11.1
Total included in operating profit		**(5.5)**	**1.4**	**(2.3)**
Fair value movements	(e)	1.1	0.3	0.6
Total included in finance income		**1.1**	**0.3**	**0.6**
Fair value movements	(e)	-	(0.3)	(0.4)
Unwind of discount on deferred consideration	(f)	(2.6)	(1.5)	(3.3)
Finance costs in relation to the acquisition and integration of subsidiaries	(g)	(0.2)	(0.5)	(0.6)
Total included in finance costs		**(2.8)**	**(2.3)**	**(4.3)**
Total exceptional and other items before tax		**(7.2)**	**(0.6)**	**(6.0)**

a) Costs primarily relating to the acquisition and integration of Bela Ischia Alimentos Ltda (Bela Ischia) in the current year offset by the release of provisions for Empresa Brasileira de Bebidas e Alimentos SA (Ebba). In the prior year costs relate to employee costs, travel costs and advisors fees incurred on the integration of Ebba.

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. This restructuring was completed in 2016.

c) Strategic restructuring - business capability programme relates to a restructuring of supply chain and operating model to enhance commercial capabilities in Britvic GB and Ireland. Primarily these costs relate to employee costs, advisors fees and dual running supply chain costs.

d) Net reversal of impairments of trademarks – these comprise of a reversal of impairment in the Ballygowan trademark of £9.1m offset by an impairment in the Britvic brand in Ireland of £2.2m and an impairment in the Fruite brand in France of £4.3m.

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) Part of the consideration for Ebba is due in September 2017. 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.

g) These costs relate to tax on funds injected into Brazil in the current year and debt repayment charges incurred on the repayment of acquired debt in the prior year.

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

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8. Taxation

The tax charge not including tax on exceptional and other items is £12.9m (28 weeks ended 10 April 2016: £12.8m) which equates to an effective tax rate 22.5% (28 weeks ended 10 April 2016: 23.5%).

Included in the total tax charge for the 28 weeks ended 16 April 2017 is a tax credit on exceptional and other items of £1.4m (28 weeks ended 10 April 2016: £0.5m charge).

Tax charge by region

	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
UK	11.7	10.6	28.9
Foreign	(0.2)	2.7	8.5
Total tax charge in the consolidated income statement	**11.5**	**13.3**	**37.4**

Analysis of tax charge

	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
Current income tax charge	12.7	10.5	31.8
Deferred income tax (credit)/charge	(1.2)	2.8	5.6
Total tax charge in the consolidated income statement	**11.5**	**13.3**	**37.4**

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 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
Basic earnings per share			
Profit for the period attributable to the equity shareholders	38.6	40.6	114.5
Weighted average number of ordinary shares in issue for basic earnings per share	262.9	261.1	261.7
Basic earnings per share	**14.7p**	**15.5p**	**43.8p**
Diluted earnings per share			
Profit for the period attributable to the equity shareholders	38.6	40.6	114.5
Effect of dilutive potential ordinary shares – share schemes	0.9	2.5	1.5
Weighted average number of ordinary shares in issue for diluted earnings per share	263.8	263.6	263.2
Diluted earnings per share	**14.6p**	**15.4p**	**43.5p**

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9. Earnings per share (continued)

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 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders	38.6	40.6	114.5
Add: Net impact of exceptional and other items	5.8	1.1	7.1
Add: Intangible assets amortisation (acquisition related)	5.3	3.6	7.4
	49.7	45.3	129.0
Weighted average number of ordinary shares in issue for adjusted basic earnings per share	262.9	261.1	261.7
Adjusted basic earnings per share	**18.9p**	**17.3p**	**49.3p**
Adjusted diluted earnings per share			
Profit for the period attributable to equity shareholders before exceptional and other items and acquisition related intangible assets amortisation	49.7	45.3	129.0
Weighted average number of ordinary shares in issue for adjusted diluted earnings per share	263.8	263.6	263.2
Adjusted diluted earnings per share	**18.8p**	**17.2p**	**49.0p**

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10. Acquisition of subsidiaries

On 2 March 2017, the group acquired 100% of the issued share capital of Bela Ischia Alimentos Ltda (Bela Ischia), a soft drinks company in Brazil with a large presence in the key areas of Rio de Janeiro and Minas Gerais. The acquisition strengthens both Britvic's brand portfolio and distribution footprint in Brazil by complementing our existing strengths in Sao Paulo and the north east.

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 alongside a review of property, plant and equipment. 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	9.9
Intangible assets	26.9
Inventory	8.1
Trade and other current receivables	8.0
Cash and cash equivalents	0.5
Total assets	**53.4**
Trade and other current payables	7.3
Interest bearing loans and borrowings	3.3
Derivative financial instruments	0.3
Deferred tax liabilities	0.2
Total liabilities	**11.1**
Total identifiable net assets	**42.3**
Goodwill	10.1
Total consideration	**52.4**

Satisfied by:	
Cash	52.4
Total consideration	**52.4**

Net cash outflow arising on acquisition:	
Cash consideration	52.4
Less: cash and cash equivalent balances acquired	(0.5)
Total consideration transferred	**51.9**

The consideration for the acquisition comprised of cash consideration of £52.4m (BR$200.8m). There is no deferred consideration.

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 Bela Ischia has in the Brazilian market that Britvic can use to exploit the potential of its global brands.

From the date of acquisition to 16 April 2017, the acquired business contributed £4.2m to revenue and £0.9m to brand contribution for the period.

Acquisition and integration related costs of £2.1m 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 2 March 2017.

On 2 February 2017, the group completed the acquisition of the trade and assets of East Coast Suppliers Limited a licenced wholesaler in Ireland. The consideration for the acquisition is €13.5m (£11.7m) comprising of an initial cash consideration of €10.2m (£8.8m) with €2.8m (£2.4m) due 12 months from completion, €0.3m (£0.2m) due 36 months from completion and stamp duty of €0.2m (£0.2m). The initial fair value/acquisition accounting has been determined provisionally with the identifiable assets being customer relationships of €6.0m (£5.2m) goodwill of €4.6m (£4.0m) and inventory of €2.9m (£2.5m).

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11. Property, plant and equipment and Intangible assets

During the 28 weeks ended 16 April 2017, the group purchased property, plant and equipment with a cost of £55.1m (28 weeks ended 10 April 2016: £42.6m), and intangible assets with a cost of £11.6m (28 weeks ended 10 April 2016: £2.6m). These amounts exclude the assets acquired on the acquisition of Bela Ischia (see note 10).

In addition, other assets with a net book value of £1.9m were disposed of by the group during the 28 weeks ended 16 April 2017 (28 weeks ended 10 April 2016: £0.7m) resulting in a loss on disposal of £1.9m (28 weeks ended 10 April 2016: loss on disposal £0.7m).

12. Interest-bearing loans and borrowings

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

	16 April 2017 £m	10 April 2016 £m	2 October 2016 £m
Finance leases	2.7	0.3	3.8
2007 Notes	113.6	206.2	223.5
2009 Notes	118.8	162.0	174.5
2010 Notes	142.0	128.7	138.9
2014 Notes	126.0	115.7	122.9
2017 Notes	175.0	-	-
Accrued interest	5.4	3.8	3.3
Bank loans	49.9	1.9	115.1
Capitalised issue costs	(2.3)	(2.4)	(2.2)
Total interest-bearing loans and borrowings	**731.1**	**616.2**	**779.8**
Current	120.1	161.2	288.1
Non-current	611.0	455.0	491.7
Total interest-bearing loans and borrowings	**731.1**	**616.2**	**779.8**

Analysis of changes in interest-bearing loans and borrowings:

	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
At the beginning of the period	779.8	575.3	575.3
Loans acquired on acquisition of subsidiary	3.3	33.5	36.7
Acquired debt repaid	-	(38.0)	(38.0)
Net loans (repaid)/drawndown	(67.8)	3.7	104.5
Partial repayment of USPP debt	(119.6)	-	-
Drawdown of 2017 USPP	175.0	-	-
Issue costs	(0.5)	-	-
Repayment of finance leases	(1.1)	-	(0.1)
Amortisation and write off of issue costs	0.6	0.4	0.6
Net translation (gain)/loss and fair value adjustment	(40.7)	39.9	100.9
Net movement in accrued interest	2.1	1.4	(0.1)
At the end of the period	**731.1**	**616.2**	**779.8**
Derivatives hedging balance sheet debt*	(117.6)	(110.4)	(157.5)
Debt translated at contracted rate	**613.5**	**505.8**	**622.3**

* 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.

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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 27 September 2015	**261,139,852**	**52,227,970**
Shares issued	1,731,404	346,281
At 2 October 2016	**262,871,256**	**52,574,251**
Shares issued	652,045	130,409
At 16 April 2017	**263,523,301**	**52,704,660**

Of the issued and fully paid ordinary shares, 367,639 shares (2 October 2016: 500,983 shares) are own shares held by an employee benefit trust. This equates to £73,528 (2 October 2016: £100,197) 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 16 April 2017	28 weeks ended 10 April 2016	53 weeks ended 2 October 2016
Declared and paid in the period			
Dividends per share (pence)	17.5	16.3	23.3
Total dividend (£m)	**45.9**	**42.6**	**60.9**
Proposed after the balance sheet date			
Dividend per share (pence)	7.2	7.0	17.5
Total dividend (£m)	**19.0**	**18.3**	**45.9**

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15. Derivatives and hedge relationships

As at 16 April 2017, the group had entered into the following derivative contracts.

	16 April 2017 £m	10 April 2016 £m	2 October 2016 £m
Consolidated balance sheet			
Non-current assets: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	56.8	38.9	58.1
Fair value of GBP euro cross currency floating interest rate swaps [2]	2.6	6.2	1.0
Fair value of USD GBP cross currency floating interest rate swaps [3]	36.2	26.8	39.0
Fair value of forward currency contracts	-	5.0	0.5
	95.6	**76.9**	**98.6**
Current assets: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	10.1	32.7	41.6
Fair value of GBP euro cross currency floating interest rate swaps [2]	0.9	5.3	1.7
Fair value of USD GBP cross currency floating interest rate swaps [3]	8.5	13.0	16.8
Fair value of forward currency contracts[1]	4.0	5.9	9.3
Fair value of forward currency contracts	16.3	-	11.6
Fair value of foreign exchange swaps	0.2	0.2	-
	40.0	**57.1**	**81.0**
Current liabilities: Derivative financial instruments			
Fair value of GBP euro cross currency fixed interest rate swaps [2]	(0.3)	(0.2)	-
Fair value of forward currency contracts[1]	(0.7)	(0.3)	(0.3)
Fair value of Brazilian real USD cross currency swap	(0.3)	-	-
Fair value of foreign exchange swaps	-	(0.2)	-
Fair value of equity forwards	(0.4)	(0.2)	(0.8)
	(1.7)	**(0.9)**	**(1.1)**
Non-current liabilities: Derivative financial instruments			
Fair value of GBP euro cross currency fixed interest rate swaps [2]	(1.6)	(0.5)	(3.6)
Fair value of forward currency contracts[1]	(0.2)	-	-
Fair value of equity forwards	-	(0.3)	(0.7)
	(1.8)	**(0.8)**	**(4.3)**

[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 137 to 139 in the group's annual report for the 53 weeks ended 2 October 2016.

15. Derivatives and hedge relationships (continued)

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

	28 weeks ended 16 April 2017 £m	28 weeks ended 10 April 2016 £m	53 weeks ended 2 October 2016 £m
Consolidated statement of comprehensive income/(expense)			
Amounts recycled to the income statement in respect of cash flow hedges			
Forward currency contracts*	(5.3)	1.7	(8.7)
Cross currency interest rate swaps**	(15.1)	(24.3)	(55.4)
	(20.4)	**(22.6)**	**(64.1)**
Gains/(losses) in the period in respect of cash flow hedges			
Forward currency contracts	(1.1)	2.8	17.1
Cross currency interest rate swaps	11.2	23.3	51.4
	10.1	**26.1**	**68.5**
Exchange differences on translation of foreign operations			
Movement on cross currency interest rate swaps	4.9	(14.4)	(26.0)
Exchange movements on translation of foreign operations	1.6	30.8	62.5
	6.5	**16.4**	**36.5**

* 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.

16 April 2017	**Assets £m**	**Liabilities £m**
Level 1	-	-
Level 2 - Derivatives used for hedging	119.1	(2.8)
- Financial instruments at fair value through profit or loss	16.5	(0.7)
- Fair value of fixed rate borrowings	-	(642.5)
Level 3	-	-
Total	**135.6**	**(646.0)**

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16. Fair value (continued)

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 16 April 2017, 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 16 April 2017, have a book value of £623.6m (2 October 2016: £661.3m) compared to a fair value £642.5m (2 October 2016: £690.3m).

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 16 April 2017 was assessed to be insignificant.

17. Pensions

At 16 April 2017, Britvic plc has IAS 19 pension surpluses in GB and NI totalling £14.4m and IAS 19 pension deficits in ROI and France totalling £7.5m resulting in a net pension surplus of £6.9m (2 October 2016: net liability of £17.4m). The net surplus has increased primarily due to changes in the financial assumptions and additional employer contributions made to the GB plan of £20.0m partially offset by changes in demographic assumptions.

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 2016 actuarial valuation of this plan was recently completed. Agreement has been made with the scheme 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.

18. Capital commitments

At 16 April 2017, the group has commitments of £34.3m (2 October 2016: £50.6m) relating to the acquisition of property, plant and equipment, which primarily relates to plant and machinery for the business capability programme in GB.

19. 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**
Gains in the period in respect of cash flow hedges	10.1	-	-	-	10.1
Amounts recycled to the income statement in respect of cash flow hedges	(20.4)	-	-	-	(20.4)
Deferred tax in respect of cash flow hedges	1.5	-		-	1.5
Exchange differences on translation of foreign operations	-	6.5	-	-	6.5
Tax on exchange differences	-	(0.9)	-	-	(0.9)
Movement in non-distributable profit	-	-	0.5	-	0.5
At 16 April 2017	**(5.0)**	**60.9**	**0.6**	**87.3**	**143.8**

	Hedging reserve £m	Translation reserve £m	Capital reserve £m	Merger reserve £m	Total £m
At 27 September 2015	**(8.1)**	**14.9**	**-**	**87.3**	**94.1**
Gains in the period in respect of cash flow hedges	26.1	-	-	-	26.1
Amounts recycled to the income statement in respect of cash flow hedges	(22.6)	-	-	-	(22.6)
Amounts recycled to goodwill on acquisition of subsidiary	10.2	-	-	-	10.2
Tax recycled to goodwill on acquisition of subsidiary	(2.0)	-	-	-	(2.0)
Deferred tax in respect of cash flow hedges	(0.5)	-	-	-	(0.5)
Exchange differences on translation of foreign operations	-	16.4	-	-	16.4
Tax on exchange differences	-	1.9	-	-	1.9
Movement in non-distributable profit	-	-	0.2	-	0.2
At 10 April 2016	**3.1**	**33.2**	**0.2**	**87.3**	**123.8**

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.

Capital reserve

The capital reserve relates to accumulated earnings which are not distributable to shareholders.