JUST EAT

7 March 2017

Just Eat plc

("Just Eat", the "Company" or the "Group")

Full Year Results

Strong year of growth and continued investment, with momentum continuing in 2017

Just Eat plc (LSE: JE.), a leading global marketplace for online food delivery, today reports its results for the year ended 31 December 2016, with revenues up 52% to £375.7 million and Underlying EBITDA[1] up 93% to £115.3 million.

Financial Highlights

- Orders up 42% to 136.4 million (2015: 96.2 million), up 36% on a like for like basis
- Revenues up 52% to £375.7 million (2015: £247.6 million), up 46% on a like for like basis
- Underlying EBITDA up 93% to £115.3 million (2015: £59.7 million)
- Underlying EBITDA margin up 700 basis points to 31% (2015: 24%)
- Profit before tax up 164% to £91.3 million (2015: £34.6 million)
- Adjusted basic earnings per share[2] up 85% to 12.2p (2015: 6.6p)
- Basic earnings per share up 182% to 10.7p (2015: 3.8p)
- Net operating cash flow up 31% to £97.0 million (2015: £74.2 million)

Operational highlights

- Just Eat processed orders worth over £2.5 billion for our Restaurant Partners (2015: £1.7 billion)
- Active Users[3] increased 31% to 17.6 million (2015: 13.4 million)
- Orders placed via mobile devices continued to grow, rising to 73% of Group orders (2015: 66%)[4]
- More than 50% of UK orders[5] were processed through an Orderpad, our tablet-based order management platform, well ahead of our target to have one-third of UK orders processed through this technology by March 2017
- UK marketplace expands to £6.1 billion, a four year CAGR of 8%
- In line with the Group's strategy to be market leader, Just Eat acquired and integrated businesses in Italy, Spain and Mexico during the year and in December, we announced the acquisition of SkipTheDishes in Canada
- The proposed acquisition of hungryhouse in the UK was also announced in December, and remains subject to approval by the Competition and Markets Authority

David Buttress, Chief Executive Officer, commented:

"Just Eat posted another strong financial performance in 2016, with revenues up 52 per cent and Underlying EBITDA rising by 93 per cent. This reflects robust order growth across the business, strong cash generation and further underlying EBITDA margin expansion as we consolidated our market leadership in every geography where we operate.

We continue to see strong growth in the UK, adding materially more revenues in absolute terms than the year before. Our international businesses also go from strength to strength; having become profitable in aggregate during the year[6], they continue to grow rapidly and now represent over one-third of Group revenues. The acquisitions we made in Italy, Spain and Mexico have significantly enhanced our operations in those countries, and we are excited by the addition of SkipTheDishes to our Canadian business towards the end of the year.

2016 was an important year operationally, positioning the business very positively for the future. We continued to invest in our technology, brand and people to expand the choice we offer consumers and the benefits we deliver to our Restaurant Partners. Our markets remain relatively under-penetrated, meaning there is considerable runway to generate sustainably profitable growth across the business.

Outlook

Just Eat is in a very strong position, operationally and financially. We have the right business model to continue capturing further share of the £23.1 billion of delivered food ordered in our markets. In 2017, despite another year of planned investment, we expect material growth in both revenues and Underlying EBITDA of between £480.0 – 495.0 million and £157.0 – 163.0 million respectively."

[1] Underlying EBITDA is the main measure of profitability used by management to assess the performance of the Group's businesses. It is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA") and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses (being profits or losses arising on the disposal and deemed disposal of operations, and gains and losses on financial assets held at fair value). At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements but incorporates an allocation of Group technology and central costs (both of which net out on a consolidated level).

[2] Adjusted basic earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to the holders of Ordinary Shares in the Parent, which is defined as profit attributable to the holders of Ordinary Shares in the Parent, before long-term employee incentive costs; exceptional items; other gains and losses; foreign exchange gains and losses; amortisation of acquired intangible assets; and the tax impact of the adjusting items.

[3] Defined as those consumers that have placed at least one order within the last 12 months.

[4] Includes those orders placed using tablet devices.

[5] Based on seven days to 31 December 2016.

[6] On an Underlying EBITDA basis.

– Ends –

The Company will hold a presentation for analysts today at 9.30 am at The Goldsmiths' Centre, 42 Britton Street, London EC1M 5AD.

The presentation will be webcast live and will be accessible via the Just Eat website at www.justeatplc.com.

An on-demand replay will also be available on the Just Eat website following the presentation.

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Forward looking statements:
This announcement includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances. Actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by law or by the Listing Rules of the UK Listing Authority, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect events or circumstances after the date of this announcement.

About Just Eat:
Just Eat plc operates a leading global marketplace for online food delivery. Headquartered in London, we use proprietary technology to offer a quick and efficient digital ordering service for 17.6 million users and 68,500 Restaurant Partners. Just Eat is a member of the FTSE 250 Index.

Chairman's statement

I am pleased to announce the Group's results for the year ended 31 December 2016. Total revenues increased by 52 per cent to £375.7 million (2015: £247.6 million), Underlying EBITDA was up by 93 per cent to £115.3 million (2015: £59.7 million) and profit before tax was up 164 per cent to £91.3 million (2015: £34.6 million). Furthermore, the Group continued to be highly cash generative, with £97.0 million of net operating cash flow (2015: £74.2 million).

In February 2017, we announced that David Buttress will be stepping down as Chief Executive Officer at the end of the first quarter, due to urgent family matters, at which time I will assume the role of Executive Chairman until David's successor is appointed.

On behalf of the Board, I would like to thank David for his outstanding contribution. David has been an incredible leader and colleague, who has earned the respect and loyalty of all who have worked with him. Whilst we have commenced the search for a new Chief Executive Officer, David will leave an experienced leadership team at the helm and will continue on the Board as a Non-executive Director.

During the year, we extended our leadership positions in the 12 territories where we compete and are now profitable in eight of those, on an Underlying EBITDA basis. As well as generating strong organic growth, we remained focused on our strategy of consolidating our number one positions across our markets, acquiring businesses in Spain, Italy, Mexico, Brazil and Canada. Our agreed acquisition of hungryhouse in the UK is conditional upon receiving regulatory approval. These transactions follow the 2015 acquisition of Menulog, the clear market leader in Australia, where we continue to drive further value from that business.

Our strategy is underpinned by the desire to anticipate and fulfil the needs of consumers and restaurants. As leaders in technology, we will continue to invest in innovation and seek partnerships with others where we can enhance the consumer experience or create additional value to our Restaurant Partners. We will continue to evolve our brand and make the right investments behind it, both to further grow the total market and to increase our share within it.

Corporate governance

Corporate governance has always been important to us, as it provides the structure within which the entrepreneurial culture of the Group can thrive. It enables continued growth in an environment that is both supportive and controlled, while ensuring that shareholder value and stakeholder interests are aligned and can be maximised in the long-term.

In my statement last year, I noted that we would become fully compliant with all of the provisions of the UK Corporate Governance Code during the year, and this was achieved on 1 March 2016.

As set out a year ago, Benjamin Holmes and Michael Risman stepped down from the Board as Non-executive Directors following publication of our full year results in 2016.

The Board was delighted to welcome Roisin Donnelly as an Independent Non-executive Director on 17 October 2016. Roisin's track record of success in building brands, coupled with extensive international marketing and digital experience, will be invaluable to Just Eat.

An outstanding team

We appointed Paul Harrison as Chief Financial Officer on 26 September following Mike Wroe's decision to retire on that date. Mike has been a trusted colleague and, since joining Just Eat in 2008, was instrumental in growing Just Eat from a small private company with a big vision, to a large public business with even greater ambitions. I wish him all the best for the future.

Paul has an exceptional history of delivering results at both high growth and large public technology companies. This experience will prove invaluable as we continue to build on this platform and reach new heights in the coming years. Our executive and operational management teams were further strengthened this year to ensure that we have the right experience and skills necessary to expand our market-leading position. On behalf of the Board, I would like to thank the entire Just Eat team for their continued hard work and contribution to our success over this past year.

Looking ahead
While the UK remains our largest market, we are excited by the growth we are seeing in our international businesses. The majority of these markets are much less penetrated than the UK and therefore represent significant opportunity for the Group.

We will continue to build our presence in all our geographies and extend our leadership through investment in our technology, brand and people. In doing so, we are confident of continuing to drive sustainable, profitable growth. The Group is very strongly positioned for the future.

Dr John Hughes CBE, Hon DSc
Chairman
6 March 2017

Chief Executive Officer's review

Just Eat processed orders worth over £2.5 billion for our Restaurant Partners over the year. This generated revenues of £375.7 million (2015: £247.6 million), up 52 per cent, and Underlying EBITDA of £115.3 million (2015: £59.7 million), up 93 per cent. Profit before tax was up 164 per cent to £91.3 million (2015: £34.6 million). Altogether, an excellent performance.

Strategic progress
In the UK, we continued to drive strong growth in orders, revenues and EBITDA, and saw the market for delivered takeaway food expand to £6.1 billion (2015: £5.5 billion)[7], ensuring plenty of room for further growth. Our international businesses passed a key milestone in becoming profitable for the first time generating £7.2 million of Underlying EBITDA in aggregate. The Danish business recorded its 15th successive year of order growth, reflecting long-term category expansion and operational improvement in the business. Whilst not reflected in our headline numbers, it was great to see iFood, our Latin America associate, continue to grow strongly and achieve profitability this year.

Improving the consumer experience
This year we have seen considerable progress in our product and service offering for both sides of our network. For the consumer we have enhanced the restaurant discovery process and introduced more ways to engage with Just Eat, including digital media players and into the gaming experience, as well as harnessing voice technology, chatbots and augmented reality. With the rollout of Orderpad to more than 10,000 restaurants globally, the number of consumers receiving 'order on its way' notifications continues to increase.

Orderpad technology also brings increased functionality to our Restaurant Partners, and is rapidly becoming the operating system for independent delivery restaurants. In June, we launched our restaurant partnership programme in the UK, using our scale to provide great products and services to our estate. Launching with Booker, the UK's largest food wholesaler, we have also added offers covering soft drinks, card processing, wifi, broadband, motorbike insurance, business rates advice and financing opportunities. To deliver this, we have developed strong relationships with brands such as Coca-Cola, Sky, Global Payments and Funding Circle. We will continue to develop these offers throughout 2017. These initiatives benefit our Restaurant Partners directly and help us towards our vision to build the world's greatest food community.

Bringing greater choice
In 2016, we increased the number of restaurants on our network by a net 7,000 to 68,500 (31 December 2015: 61,500) and gained 4.2 million new active users, highlighting the positive network effects of market leadership. The average number of orders we processed per restaurant increased by 19 per cent.

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[7] Source: Management estimate based on research performed.

Driving channel shift

Our industry is in good health and continues to grow as the consumer chooses greater convenience. Over 51 per cent[7] of takeaway food in the UK continues to be ordered by telephone, and online penetration remains at a significantly lower level across the remainder of our portfolio, representing great potential for future growth.

During 2016, we relaunched the Just Eat brand, starting in the UK, to better reflect both the two-sided nature of our marketplace and the choice available across our network.

In a year in which we consolidated Spain and Italy, two key European markets, we further strengthened the iFood business with two acquisitions in Brazil and Mexico, bolstered our Canadian business and, subject to Competition and Markets Authority approval, agreed the acquisition of hungryhouse in the UK. Following the disposal of our Benelux business, we are now the leader in each of our 12 markets.

Our people

Without exception, every member of our team is critical to our success as a business and key to driving a high performance, entrepreneurial culture. During 2016 we further strengthened our leadership team and welcomed Fernando Fanton as our Chief Product and Technology Officer, and Paul Harrison as Chief Financial Officer.

In February 2017, I informed the Board of my intention to step down as CEO from the end of the first quarter, accepting their offer to become a Non-executive Director. It has been a great privilege to work alongside, and then lead the exceptional team at Just Eat, helping to build from the very first restaurant in the UK to the Company it is today. I know it will continue to be in the best possible hands.

I would like to thank the entire Just Eat team for working tirelessly to grow this business and deliver an industry-leading performance.

David Buttress
Chief Executive Officer
6 March 2017

Chief Financial Officer's review

Group revenues grew 52 per cent year-on-year to £375.7 million. The Group's Underlying EBITDA margin expanded significantly to 31 per cent from 24 per cent as the Group's profitable growth continues. All key trading metrics on the Group income statement improved year-on-year. The Group also benefited from the movement in foreign exchange. The year-on-year movement in foreign exchange rates contributed £9.4 million to revenues.

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Continuing operations		
Revenues	**375.7**	247.6
Cost of sales	**(35.2)**	(24.2)
Gross profit	**340.5**	223.4
Long-term employee incentive costs	**(3.1)**	(2.9)
Exceptional items	**(14.6)**	(6.6)
Other administrative expenses	**(250.2)**	(176.2)
Total administrative expenses	**(267.9)**	(185.7)
Share of results of associates	**(0.1)**	(2.2)
Operating profit	**72.5**	35.5
Gain on disposal of Benelux	**18.7**	-
Net other gains/(losses)	**0.1**	(0.7)
Finance income	**0.6**	0.4
Finance costs	**(0.6)**	(0.6)
Profit before tax	**91.3**	34.6
Taxation	**(19.9)**	(11.6)
Profit for the year	**71.4**	23.0
Basic EPS (pence per share)	**10.7**	3.8
Adjusted basic EPS (pence per share)	**12.2**	6.6

The Group's revenues continued to experience significant growth, driven by order growth and by increasing revenues per order and ancillary revenues. The international businesses now generate 37 per cent of total Group revenue (2015: 32 per cent) as they continue to drive channel shift in their under-penetrated markets. These markets continue to follow patterns set out by our more established markets such as Denmark and the UK. Group average revenues per order ("ARPO") increased by 10 per cent from £2.35 to £2.59, driven by a 100bps commission rate increase in the UK, along with an increase in commission rates in Australia and New Zealand.

The growth in revenues has not been achieved at the expense of Underlying EBITDA. All reported segments have seen margins improve. Our marketplace remains competitive and these results reinforce our strategy of being market leader in each territory, since it leads to higher long-term sustainable Underlying EBITDA margins. These leadership positions, combined with the Group's financial discipline and the inherent operational leverage in the business model has resulted in Underlying EBITDA increasing to £115.3 million from £59.7 million and the EBITDA margin expanding to 31 per cent from 24 per cent in 2015.

The income statement includes some significant fluctuations that are not considered part of normal business operations. These are removed from operating profit to arrive at Underlying EBITDA. We believe this measure more accurately reflects the key drivers of long-term profitability for the Group and removes those items (both positive and negative) which are mainly non-cash or one-off in nature and that do not impact underlying trading performance. A reconciliation between operating profit and Underlying EBITDA is shown below:

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Operating profit	**72.5**	35.5
Depreciation and amortisation	**24.9**	14.8
Long-term employee incentive costs	**3.1**	2.9
Exceptional items	**14.6**	6.6
Net foreign exchange losses/(gains)	**0.2**	(0.1)
Underlying EBITDA	**115.3**	59.7

Underlying EBITDA also converts strongly to net operating cash flow due to the beneficial working capital cycle of our business model. In the calculation of cash conversion, we have excluded cash due to be remitted to our Restaurant Partners as we do not consider this as part of our day-to-day operating cash balance.

In 2016, 93 per cent of Underlying EBITDA converted to cash (2015: 97 per cent). If exceptional items were excluded, the cash conversion would exceed 100 per cent for both years. The close relationship between Underlying EBITDA and cash demonstrates why management continue to use Underlying EBITDA to assess operational and segmental performance.

M&A activity

It has been another year of significant M&A activity. In February, we agreed the acquisition of La Nevera Roja in Spain, PizzaBo/hellofood in Italy and hellofood in Brazil and Mexico. The Spanish, Italian and Mexican businesses were successfully integrated into the Group operations in the year and we are realising expected synergies. The integration demonstrated our focus on operational excellence and we continue to see very high levels of growth in these markets.

Subsequent to completion of the acquisition, hellofood Brazil was sold to iFood, an associated company of the Group. Additionally, 49 per cent of our enlarged Mexico business was sold to an associate in which we hold a 33 per cent interest, giving us a 67 per cent holding on a look-through basis. The remaining 33 per cent is owned by Movile Mobile Commerce Holdings S.L. ("Movile").

In December 2016, we completed the acquisition of SkipTheDishes in Canada. This is a highly complementary addition to our existing Canadian operations and one that bolsters our market-leading position. Due to the timing of the acquisition, the impact on the trading results was not material. SkipTheDishes is a significant online food delivery marketplace in Canada. In addition, it has developed a technologically-advanced delivery platform focused on lower density metropolitan and suburban areas, which are key features of the Canadian market. It has a selection of more than 3,000 unique restaurants and 350,000 active users. For the year ended 31 December 2016, SkipTheDishes had pro-forma order growth of 205 per cent.

Also in December, the Group announced its intention to purchase hungryhouse, subject to CMA approval. There are £5.0 million of transaction costs anticipated to be incurred to complete the transaction, which have been included in exceptional items. As part of the transaction, a deposit of £6.0 million was paid for the business and this has been included within current assets. The deposit is refundable in only very limited circumstances, not including an adverse ruling by the CMA.

We believe that these types of disciplined in-fill acquisitions lead to longer-term higher margins as well as more choice for our customers and, for our Restaurant Partners, access to a larger pool of active users with the added benefits of being part of a global brand.

Consistent with our strategy of being the market leader in each country where we operate, we sold our Benelux business in August, resulting in a gain on disposal of £18.7 million.

Segmental review

The Group has continued to report four operating segments, being the UK, Australia & New Zealand, Established Markets and Developing Markets.

	Year ended 31 December 2016 million	Year ended 31 December 2015 million
Segment orders		
United Kingdom	**88.1**	67.3
Australia & New Zealand (from 15 June 2015)	**13.8**	5.9
Established Markets	**21.6**	17.9
Developing Markets	**12.9**	5.1
Total orders	**136.4**	96.2

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Net revenues		
United Kingdom	**237.1**	169.6
Australia & New Zealand (from 15 June 2015)	**36.8**	12.4
Established Markets	**75.5**	55.8
Developing Markets	**26.2**	9.5
Total segment revenues	**375.6**	247.3
Head Office	**0.1**	0.3
Total revenues	**375.7**	247.6

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Underlying EBITDA		
United Kingdom	**121.8**	77.6
Australia & New Zealand (from 15 June 2015)	**7.6**	1.0
Established Markets	**13.3**	6.4
Developing Markets	**(13.7)**	(13.9)
Total segment Underlying EBITDA	**129.0**	71.1
Share of equity-accounted associates (excluding depreciation and amortisation)	**0.5**	(1.9)
Head Office	**(14.2)**	(9.5)
Total Underlying EBITDA	**115.3**	59.7

Established Markets comprise Denmark, France, Ireland, Canada, Switzerland, Norway and Benelux, which was sold during the year. The businesses in this segment are further advanced towards maturity and are largely profitable with increasing scale expecting to drive further profitability over the mid-term.

Developing Markets comprise Spain, Italy and Mexico. The businesses in this segment are our earlier-stage markets and are much less penetrated than the other segments. These countries are experiencing high rates of growth, and profitability is only expected to follow once further share of the online takeaway delivery market is achieved.

The results of each segment includes its fully allocated share of central technology, product and head office costs.

United Kingdom
It has been another successful year for the UK business. Revenues grew 40 per cent to £237.1 million from £169.6 million and Underlying EBITDA grew 57 per cent to £121.8 million from £77.6 million. These are comfortably ahead of order growth of 31 per cent, driven by a 100bps commission increase successfully implemented in April 2016 for existing restaurants, taking them to 13 per cent. New restaurants have been signed at 14 per cent commission since October 2015.

This success has been achieved through a combination of strategies, focused on both improving customer demand and restaurant supply. Key achievements include:

- continuing to increase the number of UK active users, which rose 30 per cent at 31 December 2016 to 9.2 million (31 December 2015: 7.1 million);
- the number of UK orders from mobile devices increasing to 80 per cent (2015: 73 per cent), including 46 per cent from apps (2015: 41 per cent). This shift helps increase customer loyalty and frequency;
- an increase of 8 per cent in ARPO largely due to a 100 bps increase in the standard commission rate in April 2016;
- continued use of strong local activation alongside successful television and radio marketing campaigns. This focus, along with improvements in our last mile visibility and new branding, have all resonated with our customers;
- growing the number of restaurants on the platform to 27,600 and adding branded chains to the supply; and
- building better relationships with Restaurant Partners by enabling them to run their businesses more effectively through the use of our partner centre app. The move to weekly billing improved their cash flows and, by leveraging our scale, we have secured exclusive deals for our Restaurant Partners that enable them to reduce their cost base.

All of these factors contributed to orders increasing 31 per cent to 88.1 million from 67.3 million in 2015. Whilst order growth remains strong, as expected it has slowed and will continue to slow given the scale of our UK business. This trend is in line with our expectations. Therefore, whilst we will continue to drive order growth, we will also focus on maximising revenue streams such as ancillary fees and broadening the reach of our platform to include branded chain restaurants.

The operational leverage at scale has resulted in the Underlying EBITDA margin expanding meaningfully to 51 per cent (2015: 46 per cent). This was achieved with an increase in marketing spend to £38.2 million (2015: £28.4 million), representing 16 per cent of revenues (2015: 17 per cent). Staff costs were 11 per cent of revenues (2015: 14 per cent).

International segments
The success of the UK continues to demonstrate the long-term value of the leadership positions we have built across the rest of our portfolio. Whilst our other markets do not yet have the same absolute scale as the UK, several markets have already shown profitable growth and significant Underlying EBITDA margins. This reinforces our belief in scaling to maximise the strength of our business model.

International segment revenues grew 78 per cent to £138.5 million. On a pro-forma constant currency basis (excluding Benelux and including Australia & New Zealand for the full year), international revenues grew 49 per cent year-on-year, as they continue to expand in their markets and, for the first time, are profitable in aggregate[6].

During 2016, currency movements have been volatile, especially following the result of the EU referendum. Our reported results have benefited from the translational impact of currency movements.

Australia & New Zealand
During the year, we strengthened the management team and processes, executed a brand relaunch for Menulog, and improved both commission and ancillary revenues, whilst benefiting from the synergistic insights created as part of joining the Group.

In the first full year of ownership, the Menulog Group of companies generated revenues of £36.8 million (2015: £12.4 million) and £7.6 million of Underlying EBITDA (2015: £1.0 million). On a pro-forma constant currency basis, this represents growth of 64 per cent in revenues and 181 per cent in Underlying EBITDA. We are pleased with this growth in revenue and margin expansion.

Revenue growth was achieved by growing orders to 13.8 million (2015: pro-forma 9.7 million, indicating growth of 42 per cent), and also by successfully implementing an increase in commission rates for the majority of the restaurant estate, for the first time in the Menulog Group's history. This has contributed towards ARPO increasing 10 per cent year-on-year.

Ancillary revenues now account for seven per cent of the segment's revenues (2015: three per cent). This was principally led by the re-engineered approach to top-placement fees.

There remains work to do in Australia as it runs on two legacy technology platforms, two brands and is weighted towards major cities, which is consistent with what we have seen in our other acquisitions. However, we have acquired a strong, market-leading business and during 2016, added considerable management talent. We are, therefore, confident that we will continue to strengthen this business throughout 2017.

Established Markets
This segment combines six territories with a range of growth rates that represent similar relative maturity and market positions. Included within this segment, ranked by order numbers, are Denmark, France, Ireland, Canada, Switzerland and Norway. Previously this segment also included our Benelux business, which was sold in August 2016.

The segment generated revenues of £75.5 million (2015: £55.8 million) and Underlying EBITDA of £13.3 million (2015: £6.4 million). On a constant currency like for like basis[8], this represents growth of 25 per cent in revenues and 59 per cent in Underlying EBITDA.

The Danish business, our most mature market, delivered its 15th successive year of order growth and has again achieved double-digit revenue growth on a constant currency basis. At the time of the IPO, this market demonstrated the long-tail of growth and margin potential that we expect to see as our businesses become more established. Since then, this business has continued to grow and expand margins, setting the benchmark for other companies in this segment.

Excluding Benelux and Denmark, the revenues for the remaining businesses grew 45 per cent and Underlying EBITDA grew to £5.4 million, meaning the margin improved to 10 per cent from 2 per cent.

Our operations in Canada were further strengthened by the acquisition of SkipTheDishes, which is expected to remain in a high growth phase over the medium term.

Developing Markets
This segment consists of our high potential, but earlier-stage markets of Spain, Italy and Mexico.

The segment generated revenues of £26.2 million (2015: £9.5 million) and Underlying EBITDA losses were reduced to £13.7 million (2015: £13.9 million). On a constant currency basis, this represents growth of 147 per cent in revenues and 9 per cent in Underlying EBITDA. The main driver of growth was orders, which grew 153 per cent year-on-year.

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[8] Like for like excludes Benelux as the operations were sold in August 2016.

In February, we agreed the acquisition of PizzaBo/hellofood in Italy, hellofood in Brazil and Mexico and La Nevera Roja in Spain. The Spanish, Italian and Mexican businesses were successfully integrated into the Group operations in the year. The integration demonstrated our focus on operational excellence and we continue to see very high levels of growth in these markets.

Subsequent to acquisition, hellofood Brazil was sold to iFood, an associated company of the Group. Additionally, 49 per cent of our enlarged Mexico business was sold to an associate in which we hold a 33 per cent interest, giving us a 67 per cent interest on a look-through basis. The remaining 33 per cent is owned by Movile Mobile Commerce Holdings S.L. ("Movile").

We will continue to invest in our Developing Markets and, following the acquisitions mentioned above, we see a clear route to profitability in this segment.

Share of results from associates
In 2016, iFood was the market leader in Brazil generating revenues of £28.8 million, up 224 per cent year-on-year. This was principally as a result of a 160 per cent increase in orders to 24.2 million (2015: 9.3 million).

Brazil has huge long-term potential and the success of the local team in capturing this potential results in the creation of a very valuable asset in Brazil, which is not reflected in our Group headline numbers.

Head office costs
Head office costs were £14.2 million (2015: £9.5 million), reflecting the increase in headcount required to build a great technology company.

These include both the ongoing central costs of operating the Group as a whole and those functions required for efficiency of shared expertise, such as the marketing, finance, legal, HR and the Business Insights data teams. Those head office costs that can be reasonably attributed to individual segments are allocated on a consistent basis and, therefore, the reported head office costs are those costs that remain after such allocations.

The Group's product and technology costs were £47.0 million (2015: £28.4 million). The relevant operating costs associated with running the technology and product teams are allocated to the businesses that use the core technology. This includes the full cost of support and development including all hosting, maintenance, innovation and engineering.

We continue to invest in our technology and have established a central team whose goal is to create a single, core platform suitable for all our markets. This team grew to 360 people (2015: 301) in the year and continues to be an area of significant additional investment.

Our technology investment also drives greater efficiency in our business by enabling us to make better use of our capital. For example, our spend in marketing will be more effective following our investment in eCRM tools as it is cheaper to reactivate existing customers than it is to acquire new customers. This technology is helping to improve relationships with restaurants, which should minimise churn rates, and it is also helping our operations team achieve greater scale, as evidenced by the improving margins.

We are increasing spend on innovation to enhance future growth rates and profitability. When these costs meet the relevant requirements they are capitalised. Specific, identifiable development costs totaling £6.6 million were capitalised in the year (2015: £2.0 million).

We have continued to make important senior hires, completed significant M&A, further expanded the technology and product teams and invested in training and development, in order to meet the challenges of running a high growth business in a rapidly evolving sector.

Items outside of Underlying EBITDA

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Amortisation – Acquired intangible assets	**15.8**	8.9
Depreciation and amortisation – Other assets	**9.1**	5.9
Long-term employee incentive costs	**3.1**	2.9
Exceptional items (see Note 5)	**14.6**	6.6
Net foreign exchange losses/(gains)	**0.2**	(0.1)

Amortisation
The amortisation charge principally related to the intangibles acquired as a result of the acquisitions completed by the Group over recent years. The main assets acquired are the restaurant contracts, the brands of the acquired businesses and any intellectual property, typically relating to the underlying technology platform. The total charge for 2016 included £15.8 million (2015: £8.9 million) relating to acquired intangible assets.

Depreciation
The depreciation charges mainly related to the JCT and Orderpad terminals that are sited in the vast majority of the restaurants on the Just Eat network. They are depreciated over three years.

Long-term employee incentive costs
Long-term employee incentive costs of £3.1 million (2015: £2.9 million) primarily relate to share awards granted to employees, recognised over the vesting period of the awards.

Exceptional items
Exceptional items of £14.6 million (2015: £6.6 million) include M&A transaction costs and acquisition integration costs relating to Australia, Spain, Italy, Mexico and Brazil.

Net foreign exchange loss
A net foreign exchange loss of £0.2 million (2015: £0.1 million gain) arose due to retranslating monetary assets and liabilities not in the functional currency of the subsidiary.

Items below operating profit

Other gains and losses
The business has recorded a mix of non-operational gains and losses on several items during the year.

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Gain on disposal of Benelux business	**18.7**	-
Movement in minority shareholders' buy-out provision	**-**	(0.2)
Gain on disposal of Achindra Online Marketing Private Limited	**-**	3.0
Losses on financial instruments	**-**	(3.9)
Fair value gain/(loss) on other investments	**0.5**	(0.1)
Other (losses)/gains	**(0.4)**	0.5
Total net gains/(losses)	**0.1**	(0.7)

In August 2016, the Group recognised a gain of £18.7 million on the sale of its Benelux business to Takeaway.com.

Net finance income
The finance income results from interest on deposits held. In 2016 this was offset by the fees associated with the Group's £200.0 million revolving credit facility, which was extended from £90.0 million in December 2016.

Profit before tax
Profit before tax for the year was £91.3 million (2015: £34.6 million).

Taxation
The income tax expense comprises both current tax and deferred tax. Current tax is the expected tax payable on the taxable profit for the year, using tax rates prevailing in each respective jurisdiction, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amounts of deferred tax recognised are based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply when the temporary differences reverse, based on rates enacted or substantively enacted at the balance sheet date.

As a result of income taxes arising in numerous jurisdictions, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of funds to a taxing authority. These may be, for example, in respect of enquires raised and additional tax assessments issued. The provision held in relation to uncertain tax items totals £9.8 million as at the year ended 31 December 2016.

The Group's total income tax charge has increased to £19.9 million (2015: £11.6 million) with a decrease in the effective tax rate ("ETR") to 21.8 per cent from 33.5 per cent last year. The ETR on underlying profits, after adjusting for the impact of long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation in respect of acquired intangible assets and their associated tax impact, was 23.4 per cent (2015: 24.8 per cent). The Group pays significant current tax on profits generated in the UK, Denmark, France, Switzerland and Ireland.

Earnings per share

Adjusted EPS was 12.2 pence (2015: 6.6 pence), up 85 per cent. Adjusted EPS is calculated using the adjusted profit attributable to the holders of Ordinary Shares as set out in the table below. The adjusted EPS has increased year-on-year due to higher adjusted profits, partially offset by an increase in the weighted average number of Ordinary Shares, primarily following the full year impact of the 2015 placing and open offer to fund the acquisition of the Menulog Group. Shares were also issued as consideration for the acquisition of SkipTheDishes.

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Profit attributable to the holders of Ordinary shares in the Parent	**71.7**	23.1
Long-term employee incentive costs	**3.1**	2.9
Exceptional items	**14.6**	6.6
Other net (gains)/losses	**(18.8)**	0.7
Net foreign exchange losses/(gains)	**0.2**	(0.1)
Amortisation in respect of acquired intangible assets (including associates)	**15.8**	8.9
Tax impact of the adjusting items	**(5.0)**	(1.7)
Adjusted profit attributable to the holders of Ordinary Shares in the parent company	**81.6**	40.4
Weighted average number of Ordinary Shares for basic earnings per share ('000)	**669,462**	616,111
Adjusted EPS (pence per share)	**12.2**	6.6

Basic EPS was 10.7 pence (2015: 3.8 pence), representing a 182 per cent year-on-year increase.

Balance sheet

Due to the low operational capital expenditure requirements of our business model and the cash collected in advance of net settling with our Restaurant Partners, the balance sheets of the operating companies are relatively straightforward. The complexity is added upon consolidation due to the impact of business combinations and the judgements they naturally include.

	As at 31 December 2016 £m	As at 31 December 2015 £m
Non-current assets		
Goodwill	**725.2**	457.1
Other intangible assets	**103.4**	72.6
Property, plant and equipment	**12.4**	8.6
Other non-current assets	**48.2**	23.2
	889.2	561.5
Current assets		
Operating cash	**96.8**	148.9
Cash to be paid to Restaurant Partners	**33.8**	43.8
Cash and cash equivalents	**130.6**	192.7
Other current assets	**28.6**	12.0
	159.2	204.7
Current liabilities	**(151.9)**	(109.4)
Net current assets	**7.3**	95.3
Non-current liabilities		
Provisions for liabilities	**(43.1)**	(9.3)
Other long-term liabilities	**(27.7)**	(21.6)
	(70.8)	(30.9)
Total liabilities	**(222.7)**	(140.3)
Net assets	**825.7**	625.9
Equity		
Share capital and share premium	**569.0**	562.3
Other reserves	**88.3**	(17.4)
Retained earnings	**160.7**	80.6
Equity attributable to owners of the Company	**818.0**	625.5
Non-controlling interests	**7.7**	0.4
Total equity	**825.7**	625.9

In 2016, non-current assets increased by £327.7 million to £889.2 million. This was largely due to M&A activity completed in the year, which resulted in the recognition of goodwill, other intangible assets and increased interests in the associates. In total, £6.6 million has also been capitalised on specific technology projects which met the criteria to require capitalisation.

Cash balances of £130.6 million (2015: £192.7 million) include £33.8 million (2015: £43.8 million) of cash payable to our Restaurant Partners shortly after the period end. The Group does not treat this cash as part of its day-to-day operational cash balances as on-time payment to restaurants is critical. Cash balances owed to restaurants have decreased since last year following the decision to pay restaurants weekly, rather than twice a month.

This has been rolled out in the UK, Denmark and Ireland with other international rollouts planned. This has further strengthened our relationships with our Restaurant Partners.

Cash generated from trading was also used to fund a number of smaller acquisitions of technology assets during the year and the initial consideration for the SkipTheDishes acquisition. Current liabilities increased due to growth in our operations, increases in tax liabilities and the movement of non-current provisions to current.

Non-current liabilities increased by £39.9 million to £70.8 million, primarily due to a provision for contingent consideration relating to the SkipTheDishes acquisition.

Cash flow

The Group continued its high level of cash conversion, benefiting from collecting the gross value of orders made by card ahead of making net payments to restaurants. In 2016, net cash generated from operations (including payments for tax and interest) was £97.0 million (2015: £74.2 million).

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Underlying EBITDA	**115.3**	59.7
Net change in working capital (excluding movement in restaurant payables)	**14.3**	12.3
Income taxes paid	**(12.7)**	(8.2)
Interest cash outflow (including facility fees)	**(1.1)**	(1.2)
Other	**0.3**	2.1
Free cash flow before exceptional items	**116.1**	64.7
Cash outflow in respect of exceptional items	**(9.1)**	(6.6)
Net cash flow before movement in restaurant payables	**107.0**	58.1
Movement in restaurant payables	**(10.0)**	16.1
Net cash flow from operating activities	**97.0**	74.2

Underlying EBITDA also converts strongly to net operating cash flow due to the beneficial working capital cycle of our business model. In 2016, 93 per cent of Underlying EBITDA converted to cash excluding those amounts held for restaurants (2015: 97 per cent). If exceptional items were excluded, the cash conversion would exceed 100 per cent in both the current and prior years.

Cash flow statement

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Net cash inflow from operating activities	**97.0**	74.2
Net cash used in investing activities	**(167.5)**	(465.5)
Net cash from financing activities	**2.3**	425.1
Net (decrease)/increase in cash and cash equivalents	**(68.2)**	33.8
Net cash and cash equivalents at beginning of year	**192.7**	164.1
Effect of changes in foreign exchange rates	**6.1**	(5.2)
Net cash and cash equivalents at end of year[9]	**130.6**	192.7

The Group spent £167.5 million in investing activities during the year. Of this, £161.9 million (2015: £451.8 million) was spent acquiring subsidiaries and associates.

At the balance sheet date, the Group had cash balances of £130.6 million (2015: £192.7 million) and borrowings of £1.0 million (2015: £nil). The Group has access to a £200.0 million revolving credit facility (2015: £90.0 million), which was undrawn at the balance sheet date and at 6 March 2017. The facility was extended in order to fund the potential acquisition of hungryhouse that was announced in December 2016 (and remains subject to receiving CMA approval). We agreed to pay an initial consideration of £200.0 million plus a potential earn-out of up to £40.0 million for the acquisition. This is discussed further in Note 10.

The Board has not recommended a dividend since the IPO as, in order to deliver longer-term value, the Group intends to retain any earnings to invest in development and expansion as opportunities arise.

Paul Harrison
Chief Financial Officer
6 March 2017

[9] Includes £33.8 million (2015: £43.8 million) of Restaurant Partner cash.

Directors' responsibility statement

The responsibility statement below has been prepared in connection with the company's full annual report for the year ending 31 December 2016. Certain parts thereof are not included within this announcement.

We confirm to the best of our knowledge:

1. The Group and Company financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company; and

2. The business review, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties they face.

The Directors of Just Eat plc are listed in the Group's Annual Report & Accounts for the year ended 31 December 2016. A list of current directors is maintained on the Company website www.justeatplc.com.

By order of the Board,

David Buttress
Chief Executive Officer
6 March 2017

Paul Harrison
Chief Financial Officer
6 March 2017

Consolidated Income Statement
Year ended 31 December 2016

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Continuing operations			
Revenues	3	**375.7**	247.6
Cost of sales		**(35.2)**	(24.2)
Gross profit		**340.5**	223.4
Long-term employee incentive costs	4	**(3.1)**	(2.9)
Exceptional items	5	**(14.6)**	(6.6)
Other administrative expenses		**(250.2)**	(176.2)
Total administrative expenses		**(267.9)**	(185.7)
Share of results of associates		**(0.1)**	(2.2)
Operating profit		**72.5**	35.5
Gain on disposal of Benelux	6	**18.7**	-
Net other gains/(losses)	6	**0.1**	(0.7)
Finance income		**0.6**	0.4
Finance costs		**(0.6)**	(0.6)
Profit before tax		**91.3**	34.6
Taxation	7	**(19.9)**	(11.6)
Profit for the year		**71.4**	23.0
Attributable to:			
Owners of the Company		**71.7**	23.1
Non-controlling interests		**(0.3)**	(0.1)
		71.4	23.0
Earnings per Ordinary Share (pence)	8		
Basic		**10.7**	3.8
Diluted		**10.5**	3.7
Adjusted earnings per Ordinary Share (pence)	8		
Basic		**12.2**	6.6
Diluted		**12.0**	6.4
Reconciliation of operating profit to Underlying EBITDA			
Operating profit		**72.5**	35.5
Depreciation and amortisation	3	**24.9**	14.8
Long-term employee incentive costs	4	**3.1**	2.9
Exceptional items	5	**14.6**	6.6
Net foreign exchange losses/(gains)		**0.2**	(0.1)
Underlying EBITDA	3	**115.3**	59.7

Underlying EBITDA is the main measure of profitability used by management to assess the performance of the Group's businesses. It is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA"), and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses.

Consolidated Statement of Other Comprehensive Income
Year ended 31 December 2016

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Profit for the year	**71.4**	23.0
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations – Group	**97.9**	(7.8)
Exchange differences on translation of foreign operations – Associates	**7.7**	(3.5)
Exchange differences on translation of foreign operations reclassified to the income statement on disposal	**0.1**	(0.1)
Exchange differences on translation of non-controlling interest	**(0.2)**	-
Fair value gains/(losses) on cash flow hedges	**1.8**	(6.2)
Income tax related to fair value of gains/(losses) on cash flow hedges	**(0.5)**	1.2
Net fair value gains/(losses) on cash flow hedges reclassified to goodwill	**(1.3)**	5.0
Other comprehensive income/(loss) for the year	**105.5**	(11.4)
Total comprehensive income for the year	**176.9**	11.6
Attributable to:		
Owners of the Company	**177.4**	11.7
Non-controlling interests	**(0.5)**	(0.1)
Total comprehensive income for the year	**176.9**	11.6

Consolidated Balance Sheet
As at 31 December 2016

	As at 31 December 2016 £m	As at 31 December 2015 £m
Non-current assets		
Goodwill	**725.2**	457.1
Other intangible assets	**103.4**	72.6
Property, plant and equipment	**12.4**	8.6
Investments in associates	**29.7**	16.6
Other investments	**4.1**	0.1
Deferred tax assets	**14.4**	6.5
	889.2	561.5
Current assets		
Operating cash	**96.8**	148.9
Cash to be paid to Restaurant Partners	**33.8**	43.8
Cash and cash equivalents	**130.6**	192.7
Inventories	**1.7**	1.2
Trade and other receivables	**26.5**	10.5
Current tax assets	**0.4**	0.3
	159.2	204.7
Total assets	**1,048.4**	766.2
Current liabilities		
Trade and other payables	**(112.1)**	(99.4)
Current tax liabilities	**(22.0)**	(6.0)
Deferred revenues	**(3.8)**	(3.7)
Provisions for liabilities	**(13.6)**	(0.3)
Borrowings	**(0.4)**	-
	(151.9)	(109.4)
Net current assets	**7.3**	95.3
Non-current liabilities		
Deferred tax liabilities	**(25.9)**	(19.9)
Deferred revenues	**(0.9)**	(1.1)
Provisions for liabilities	**(43.1)**	(9.3)
Borrowings	**(0.6)**	-
Other long-term liabilities	**(0.3)**	(0.6)
	(70.8)	(30.9)
Total liabilities	**(222.7)**	(140.3)
Net assets	**825.7**	625.9
Equity		
Share capital	**6.8**	6.8
Share premium account	**562.2**	555.5
Translation reserve	**94.7**	(11.0)
Other reserves	**(6.4)**	(6.4)
Retained earnings	**160.7**	80.6
Equity attributable to owners of the Company	**818.0**	625.5
Non-controlling interests	**7.7**	0.4
Total equity	**825.7**	625.9

Consolidated statement of changes in equity
Year ended 31 December 2016

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
1 January 2015	5.7	120.5	0.4	(6.7)	63.1	183.0	0.8	183.8
Profit for the year	-	-	-	-	23.1	23.1	(0.1)	23.0
Other comprehensive income	-	-	(11.4)	-	-	(11.4)	-	(11.4)
Total comprehensive (loss)/ income for the year	-	-	(11.4)	-	23.1	11.7	(0.1)	11.6
Tax on share options	-	-	-	-	2.8	2.8	-	2.8
Issue of capital (net of costs)	1.1	434.5	-	-	-	435.6	-	435.6
Exercise of share options	-	0.5	-	-	-	0.5	-	0.5
Share based payment charge	-	-	-	-	2.6	2.6	-	2.6
Treasury shares	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Exercise of JSOP awards	-	-	-	0.4	-	0.4	-	0.4
Acquisition of minority interest in Eat.ch	-	-	-	-	(11.0)	(11.0)	(0.3)	(11.3)
31 December 2015	6.8	555.5	(11.0)	(6.4)	80.6	625.5	0.4	625.9
Profit for the year	-	-	-	-	71.7	71.7	(0.3)	71.4
Other comprehensive income	-	-	105.7	-	-	105.7	(0.2)	105.5
Total comprehensive income/ (loss) for the year	-	-	105.7	-	71.7	177.4	(0.5)	176.9
Tax on share options	-	-	-	-	0.8	0.8	-	0.8
Issue of capital (net of costs)	-	6.2	-	-	-	6.2	-	6.2
Exercise of share options	-	0.5	-	-	-	0.5	-	0.5
Share based payment charge	-	-	-	-	2.8	2.8	-	2.8
Treasury shares	-	-	-	(0.5)	-	(0.5)	-	(0.5)
Exercise of JSOP awards	-	-	-	0.5	-	0.5	-	0.5
Partial disposal Mexican business	-	-	-	-	4.8	4.8	7.3	12.1
Adjustment to Mexican NCI	-	-	-	-	-	-	0.5	0.5
31 December 2016	**6.8**	**562.2**	**94.7**	**(6.4)**	**160.7**	**818.0**	**7.7**	**825.7**

Consolidated cash flow statement
Year ended 31 December 2016

	Notes	**Year ended 31 December 2016 £m**	Year ended 31 December 2015 £m
Net cash inflow from operating activities	11	**97.0**	74.2
Investing activities			
Interest received		**0.6**	0.4
Cash outflow on acquisition of businesses	10	**(154.7)**	(448.4)
Hungryhouse acquisition deposit	10	**(6.0)**	-
Cash inflow on disposal of Benelux	10	**14.6**	-
Cash inflow on disposal of hellofood Brazil	10	**2.1**	-
Cash inflow on sale of minority stake in Mexican business		**9.3**	-
Funding provided by minority interests		**0.5**	-
Cash outflow on acquisition of interests in associates		**(7.2)**	(3.4)
Cash inflow on disposal of investment in associate		**-**	3.1
Funding provided to associates		**(2.1)**	(2.5)
Purchases of investments		**(3.5)**	-
Purchases of property, plant and equipment		**(9.5)**	(5.8)
Purchases of intangible assets		**(11.7)**	(4.8)
Cash outflow on financial instruments		**-**	(3.9)
Other cash outflows		**0.1**	(0.2)
Net cash used in investing activities		**(167.5)**	(465.5)
Financing activities			
Net proceeds from placing and open offer		**-**	435.6
Proceeds arising on exercise of options and awards		**2.4**	0.5
Proceeds from sale of shares by the employee benefit trust		**-**	0.6
Cash outflow of the acquisition of minority interest		**(0.1)**	(11.3)
Movement on borrowings		**-**	(0.3)
Net cash from financing activities		**2.3**	425.1
Net (decrease)/increase in cash and cash equivalents		**(68.2)**	33.8
Net cash and cash equivalents at beginning of year		**192.7**	164.1
Effect of changes in foreign exchange rates		**6.1**	(5.2)
Net cash and cash equivalents at end of year		**130.6**	192.7

1. Background

The financial information, comprising of the consolidated income statement, consolidated statement of other comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes, has been taken from the consolidated financial statements of Just Eat plc ("Company") for the year ended 31 December 2016, which were approved by the Board of Directors on 6 March 2017. The financial information does not constitute statutory accounts within the meaning of sections 435(1) and (2) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of International Financial Reporting Standards ("IFRS").

An unqualified report on the consolidated financial statements for the year ended 31 December 2016 has been given by the auditors Deloitte LLP. It did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statement under sections 498(2) or (3) of the Companies Act 2006.

The consolidated financial statements will be filed with the Registrar of Companies, subject to their approval by the Company's shareholders at the Company's Annual General Meeting on 27 April 2017.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee interpretations as endorsed by the European Union ("EU"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, provisions for social security costs on the exercise of options by employees and financial assets at fair value through profit or loss, which have been measured at fair value. The principal accounting policies adopted by the Group are set out in the consolidated financial statements for the year ended 31 December 2015. These policies have been consistently applied to all years presented.

The going concern basis has been adopted in preparing the consolidated financial statements as the Directors are satisfied that the Company and its subsidiaries (together the "Group") will continue to be able to meet their liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of presenting this financial information.

No new standards, amendments or interpretations to standards effective for the first time for the financial year beginning on 1 January 2016 have had a material impact on the Group's financial position or performance nor the disclosures in these financial statements.

The Underlying EBITDA and adjusted earnings per share measures provide additional useful information for shareholders and users of the financial information on the underlying performance of the business. These measures are used by management of the Group to measure underlying business performance. Underlying EBITDA is defined in Note 3 and adjusted EPS is defined in Note 8.

3. Operating segments

The Group has four reportable segments: United Kingdom, Australia & New Zealand, Established Markets and Developing Markets. Established Markets includes the operations in Benelux (sold August 2016), Denmark, France, Ireland, Canada, Switzerland and Norway. Developing Markets includes Italy, Mexico and Spain.

Each segment includes businesses with similar operating characteristics and at a similar stage of development. Underlying EBITDA is the main measure of profit used by the Chief Operating Decision Maker ("CODM") to assess and manage performance. The CODM is David Buttress, the Group's Chief Executive Officer. Underlying EBITDA is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA"); and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses (being profits or losses arising on the disposal and deemed disposal of operations, and gains and losses on financial assets held at fair value). At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements but incorporates an allocation of Group technology and central costs (all of which net out on a consolidated level).

Segment revenues	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
United Kingdom	**238.3**	171.2
Less inter-segment sales	**(1.2)**	(1.6)
United Kingdom	**237.1**	169.6
Australia & New Zealand	**36.8**	12.4
Established Markets	**75.5**	55.8
Developing Markets	**26.2**	9.5
Total segment revenues	**375.6**	247.3
Head Office	**2.8**	0.3
Less Head Office inter-segment sales	**(2.7)**	-
Total revenues	**375.7**	247.6

The Group's revenues were generated as follows:

Revenues	Year ended 31 December 2016 £m	%	Year ended 31 December 2015 £m	%
Commission revenues	**305.2**	**81**	193.4	78
Payment card and administration fees	**48.5**	**13**	32.4	13
Order driven revenues	**353.7**	**94**	225.8	91
Top-placement fees	**19.7**	**5**	11.2	5
Connection fees and other revenues	**2.3**	**1**	10.6	4
Total revenues	**375.7**		247.6	

Order driven revenues by segment were as follows: United Kingdom £224.9 million (2015: £158.3 million); Australia & New Zealand £35.1 million (2015: £11.7 million); Established Markets £68.3 million (2015: £46.5 million); and Developing Markets £25.4 million (2015: £9.3 million).

Segment Underlying EBITDA and result	**Year ended 31 December 2016 £m**	Year ended 31 December 2015 £m
United Kingdom	**121.8**	77.6
Australia & New Zealand	**7.6**	1.0
Established Markets	**13.3**	6.4
Developing Markets	**(13.7)**	(13.9)
Total segment Underlying EBITDA	**129.0**	71.1
Share of equity accounted associates (excluding depreciation and amortisation)	**0.5**	(1.9)
Head Office costs	**(14.2)**	(9.5)
Underlying EBITDA	**115.3**	59.7
Long-term employee incentive costs	**(3.1)**	(2.9)
Exceptional items	**(14.6)**	(6.6)
Net foreign exchange (losses)/gains	**(0.2)**	0.1
EBITDA	**97.4**	50.3
Depreciation - Subsidiaries	**(6.2)**	(4.2)
Amortisation - Acquired intangible assets	**(15.5)**	(8.6)
Amortisation - Other intangible assets	**(2.6)**	(1.7)
Depreciation and amortisation - Associates[10]	**(0.6)**	(0.3)
Operating profit	**72.5**	35.5
Gain on disposal of Benelux	**18.7**	-
Net other gains/(losses)	**0.1**	(0.7)
Finance income	**0.6**	0.4
Finance costs	**(0.6)**	(0.6)
Profit before tax	**91.3**	34.6

Segment net book value of non-current assets	**As at 31 December 2016 £m**	As at 31 December 2015 £m
United Kingdom	**12.4**	10.2
Australia & New Zealand	**512.6**	441.0
Established Markets	**176.1**	56.2
Developing Markets	**128.0**	24.4
	829.1	531.8
Head Office	**30.4**	13.1
Associates	**29.7**	16.6
Total	**889.2**	561.5

[10] Includes £0.3 million (2015: £0.3 million) of amortisation in respect of acquired intangible assets.

Property, plant & equipment and intangible assets

	Additions year ended 31 December		Depreciation and amortisation year ended 31 December	
	2016	**2015**	**2016**	**2015**
	£m	**£m**	**£m**	**£m**
United Kingdom	**2.9**	3.3	**3.5**	3.7
Australia & New Zealand	**1.3**	452.4	**10.2**	5.0
Established Markets	**113.6**	8.0	**4.6**	2.6
Developing Markets	**98.2**	23.0	**3.2**	1.1
	216.0	486.7	**21.5**	12.4
Head Office	**12.3**	6.6	**2.8**	2.1
Associates	**-**	-	**0.6**	0.3
Total	**228.3**	493.3	**24.9**	14.8

Additions include goodwill and other intangible assets acquired as part of business combinations, as well as purchases of tangible and intangible fixed assets.

4. Long-term employee incentive costs

The total expense recorded in relation to the long-term employee incentives was £3.1 million (2015: £2.9 million). This charge was comprised of £2.8 million (2015: £2.6 million) in respect of share based payments and £0.3 million (2015: £0.3 million) in respect of provisions for employer's social security costs on the exercise of options.

5. Exceptional items

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
M&A transaction costs	**9.5**	6.6
Acquisition integration costs	**5.1**	-
Total exceptional items	**14.6**	6.6

M&A transaction costs relate to legal, due diligence and other costs incurred as a result of the Group's acquisitions (see Note 10) and aborted acquisitions. For the year ended 31 December 2016, they include £5.0 million (2015: £nil) of costs in respect of the acquisition of hungryhouse which are contingent upon the successful completion of the acquisition. They are therefore included within provisions as at 31 December 2016.

The acquisition integration costs relate to the integration into the Group of Menulog and the businesses acquired in four countries during the first half of 2016 (La Nevera Roja in Spain, PizzaBo/hellofood in Italy, hellofood Mexico, and hellofood Brazil). They include the non-recurring costs of running two offices and platforms during employee consultation processes, redundancy costs, lease termination costs and related advisers' fees. In addition, they include the cost of recruiting the new Menulog senior management team and advisers' costs in respect of litigation and other matters that pre-dated the Group's acquisition of Menulog in June 2015.

6. Other gains and losses

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Gain on disposal of Benelux	**18.7**	-
Movement in minority shareholders' buy-out provision	**-**	(0.2)
Gain on disposal of Achindra Online Marketing Private Limited	**-**	3.0
Losses on financial instruments	**-**	(3.9)
Fair value gain/(loss) on other investments	**0.5**	(0.1)
Other (gains)/losses	**(0.4)**	0.5
Net other gains/(losses)	**0.1**	(0.7)

On 2 August 2016, the Group disposed of its Benelux operations (Netherlands and Belgium) to Takeaway.com, which resulted in a gain on disposal of £18.7 million (see Note 10).

In January 2015, the Group recognised a gain of £3.0 million on the sale of its entire shareholding in Achindra Online Marketing Private Limited, the Group's Indian associated undertaking.

During 2015, a net loss of £3.9 million was recognised on two derivatives taken out to hedge the sterling amount of the Menulog Group acquisition consideration, which was payable in Australian dollars. The net loss comprised a £4.6 million loss on one hedge and a £0.7 million gain on another hedge.

7. Taxation

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Current taxation		
Current year	**29.0**	15.8
Adjustment for prior years	**0.1**	0.1
	29.1	15.9
Deferred taxation		
Temporary timing differences	**(8.6)**	(4.4)
Adjustment for prior years	**(0.7)**	0.1
Effect of tax rate change	**0.1**	-
	(9.2)	(4.3)
Total tax charge for the year	**19.9**	11.6

UK corporation tax was calculated at 20 per cent (2015: 20.25 per cent) of the taxable profit for the year. As announced in the March 2014 Budget, the standard rate of corporation tax in the UK changed from 21 per cent to 20 per cent with effect from 1 April 2015.

As announced in the Summer 2015 Budget, the government announced a reduction in the standard rate of corporation tax in the UK from 20 per cent to 19 per cent, effective from 1 April 2017. The Finance Bill 2016 subsequently reduced the main rate of corporation tax to 17 per cent, effective from 1 April 2020.

Taxation for other jurisdictions was calculated at the rates prevailing in the respective jurisdictions.

Taxation on items taken directly to other comprehensive income was a debit of £0.5 million (2015: £1.2 million credit) and relates to fair value losses on cash flow hedges which have been reclassified to goodwill.

Taxation on items taken directly to equity in respect of share options was a net credit of £0.8 million (2015: £2.8 million credit), comprised of a £1.2 million credit relating to current tax and a £0.4 million debit relating to deferred tax.

The total tax charge for the year can be reconciled to the profit per the income statement as follows:

	Year ended 31 December 2016			Year ended 31 December 2015
	Before adjusting items £m	**Adjusting items £m**	**Total £m**	£m
Profit before tax	**106.2**	**(14.9)**	**91.3**	34.6
Tax at the UK corporation tax rate of 20% (2015: 20.25%)	**21.2**	**(2.9)**	**18.3**	7.0
Non-deductible expenditure	**1.0**	**2.0**	**3.0**	3.5
Non-taxable income	**(5.3)**	**-**	**(5.3)**	(2.5)
Share based payments	**-**	**0.1**	**0.1**	0.2
Profit on the deemed disposals of businesses	**-**	**(3.8)**	**(3.8)**	(0.6)
Adjustments in respect of prior periods	**(0.7)**	**0.1**	**(0.6)**	0.2
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1.1)**	**(1.4)**	**(2.5)**	(1.0)
Other overseas taxes	**8.2**	**-**	**8.2**	4.1
Change in unrecognised deferred tax asset	**1.5**	**0.9**	**2.4**	0.7
Reduction in UK tax rate	**0.1**	**-**	**0.1**	-
Total tax charge for the year	**24.9**	**(5.0)**	**19.9**	11.6
Effective tax rate	**23.4%**		**21.8%**	33.5%

The effective tax rate on underlying profits ("Underlying ETR") was 23.4 per cent (2015: 24.8 per cent). Underlying profit is defined as profit before tax before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses and amortisation in respect of acquired intangible assets.

The total tax charge of £19.9 million (2015: £11.6 million) is made up of: a current tax charge of £29.1 million (2015: £15.9 million), primarily consisting of corporate tax arising in the UK, Denmark, France and Switzerland; and a deferred tax credit of £9.2 million (2015: £4.3 million) resulting from the recognition of a deferred tax asset on losses arising in Australia and the unwind of deferred tax liabilities arising on acquired intangibles.

As a result of the geographical spread of the Group's operations and the varied, increasingly complex nature of local and global tax law, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The provision held in relation to uncertain tax items totalled £9.8 million as at 31 December 2016.

We expect our Underlying ETR to trend towards the UK prevailing corporation tax rate. However, the Group's future tax charge and actual underlying ETR will be driven by a number of factors including: the timing of the recognition of tax losses; changes in the mix of our business profits; local or international tax reform (for example any arising from the implementation of the OECD's BEPS actions and EU state aid investigations); new challenges by the tax authorities or the resolution of ongoing points raised by tax authorities; and the impact of any acquisitions, disposals or restructurings.

8. Earnings per share

Basic earnings per share was calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year, excluding unvested shares held pursuant to the Group's JSOP and SIP.

Diluted earnings per share was calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. The Group had potentially dilutive shares in the form of share options and unvested shares held pursuant to the Group's JSOP and SIP.

Adjusted earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to the holders of Ordinary Shares in the Parent, which is defined as profit attributable to the holders of Ordinary Shares in the Parent, before long-term employee incentive costs; exceptional items; other gains and losses; foreign exchange gains and losses; amortisation of acquired intangible assets; and the tax impact of the adjusting items.

Basic and diluted earnings per share have been calculated as follows:

	Year ended 31 December 2016 '000	Year ended 31 December 2015 '000
Profit attributable to the holders of Ordinary Shares in the Parent	**71.7**	23.1
Long-term employee incentive costs	**3.1**	2.9
Exceptional items	**14.6**	6.6
Net other (gains)/losses	**(18.8)**	0.7
Net foreign exchange losses/(gains)	**0.2**	(0.1)
Amortisation in respect of acquired intangible assets (including associates)	**15.8**	8.9
Tax impact of the adjusting items	**(5.0)**	(1.7)
Adjusted profit attributable to the holders of Ordinary Shares in the Parent	**81.6**	40.4

	Number of shares ('000)	
	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Weighted average number of Ordinary Shares for basic earnings per share	**669,462**	616,111
Effect of dilution:		
Share options and awards	**6,420**	6,329
Unvested JSOP	**3,547**	9,243
Shares held in escrow (Note 10)	**48**	-
Weighted average number of Ordinary shares adjusted for the effect of dilution	**679,477**	631,683

	Year ended 31 December 2016 Pence	Year ended 31 December 2015 Pence
Earnings per Ordinary Share		
Basic	**10.7**	3.8
Diluted	**10.5**	3.7
Adjusted earnings per Ordinary Share		
Basic	**12.2**	6.6
Diluted	**12.0**	6.4

9. Dividends

No dividends have been declared or paid in the current year (2015: nil).

10. Acquisitions and disposals

Acquisitions in the current year	LNR/ PizzaBo/ HFMX/HFBR £m	SkipThe Dishes £m	**Total £m**
Fair values of net assets acquired			
Cash	1.8	3.9	**5.7**
Intangible assets - Restaurant contracts	7.0	7.5	**14.5**
Intangible assets - Brand	-	7.9	**7.9**
Intangible assets - Patents, licences and IP	-	3.9	**3.9**
Deferred tax asset in respect of losses	1.6	0.8	**2.4**
Deferred tax liability in respect of intangible assets	(1.7)	(5.2)	**(6.9)**
Trade and other receivables	1.6	3.3	**4.9**
Property, plant & equipment	0.1	0.1	**0.2**
Trade and other payables	(3.4)	(5.8)	**(9.2)**
Borrowings	(1.0)	-	**(1.0)**
Fair value gains/(losses) on cash flow hedges	1.9	(0.1)	**1.8**
Income tax related to fair value losses on cash flow hedges	(0.5)	-	**(0.5)**
Assets held for sale - hellofood Brazil	2.1	-	**2.1**
	9.5	16.3	**25.8**
Goodwill	89.1	92.1	**181.2**
Total consideration	98.6	108.4	**207.0**
Satisfied by:			
Cash consideration	99.6	60.1	**159.7**
Share consideration	-	6.2	**6.2**
Contingent consideration	-	40.8	**40.8**
Deferred consideration	(1.0)	1.3	**0.3**
Total consideration	98.6	108.4	**207.0**
Net cash outflow arising on acquisition:			
Cash consideration	99.6	60.1	**159.7**
Cash acquired	(1.8)	(3.9)	**(5.7)**
Net cash outflow	97.8	56.2	**154.0**

Net cash outflow on acquisition of businesses

The net cash outflow on acquisition of businesses during the year ended 31 December 2016 as shown in the table above was £154.0 million. The amount in the Consolidated Cash Flow Statement also includes £0.7 million of deferred consideration paid during the year in respect of acquisitions made in previous years. For the year ended 31 December 2015, the net cash outflow of £448.4 million principally related to the acquisition of the Menulog Group (£421.4 million).

Acquired businesses

On 5 February 2016 the Group agreed to acquire the entire share capital of La Nevera Roja, PizzaBo/hellofood in Italy, hellofood Mexico and hellofood Brazil for €125.0 million (£98.6 million). These businesses are in the digital marketplace for takeaway delivery food in Spain (La Nevera Roja), Italy (PizzaBo and hellofood), Mexico (hellofood) and Brazil (hellofood). The acquired businesses are highly complementary to Just Eat's existing businesses in these important territories and the acquisition is in line with Just Eat's strategic ambition to be a market leader in the geographies in which it operates, bringing scale, focus and new talent to the local operations. Completion of these acquisitions occurred immediately with the exception of La Nevera Roja which completed on 4 April 2016, following the receipt of approval from the local competition authority, the Comisión Nacional de los Mercados y la Competencia. hellofood Brazil was subsequently sold to the Group's Brazilian associate (IF-JE) for cash consideration of £2.1 million.

On 14 December 2016, the Group agreed to acquire the entire share capital of Restaurants Services Inc. ("SkipTheDishes") for an initial consideration of C$110.0 million (£66.3 million). The initial consideration comprised C$100.0 million (£60.1 million) which was paid in cash immediately on completion and C$10.0 million (£6.2 million) payable in the form of 1,046,601 new Just Eat Ordinary shares of £0.01 each. The new Ordinary shares were issued and listed on 20 December 2016 and are held in escrow until 14 December 2017. Deferred consideration of C$2.2 million (£1.3 million) is payable in 2017.

A further cash amount of up to C$70.0 million (£42.1 million) may also be payable, subject to certain strict financial targets being met. A provision (discounted for the time value of money) of £40.8 million was established on acquisition for this contingent consideration.

Further consideration of up to C$20.0 million (£12.0 million) is payable between 2018 and 2020, dependent upon on SkipTheDishes management providing certain services to the Group post-completion. As such this consideration does not form part of the acquisition consideration, but the amounts payable will be charged to the income statement as the services are provided to the Group.

SkipTheDishes is one of Canada's largest online food delivery marketplaces and has developed a technologically-advanced delivery platform focused on lower density metropolitan and suburban areas, which are key features of the Canadian market. It has a selection of more than 3,000 unique restaurants and 350,000 active customers. SkipTheDishes is currently experiencing strong top line growth, with orders for the year ended 31 December 2016 of 2.2 million, representing year on year growth of 205 per cent.

Proposed hungryhouse acquisition

On 15 December 2016, the Group announced that it had agreed the acquisition of Hungryhouse Holdings Limited ("hungryhouse") from Delivery Hero Holding GmbH ("Delivery Hero") for an initial consideration of £200.0 million. A further cash amount of up to £40.0 million may also be payable, subject to the performance of hungryhouse between signing and completion of the transaction. The acquisition is be funded through cash resources and credit facilities. It is subject to approval by the Competition and Markets Authority ("CMA").

The acquisition is consistent with Just Eat's strategic ambition to accelerate its growth and increase its market presence in every geography in which it operates. hungryhouse is an online food company operating solely in the UK, with a comparable business model to Just Eat. The value of the gross assets of hungryhouse as at 31 December 2015 was £5.0 million and the losses before tax for the year ending the same date were £13.1 million.

The Group paid a deposit of £6.0 million to Delivery Hero, which is included within trade and other receivables, as at 31 December 2016. This deposit is refundable in very limited circumstances, not including an adverse ruling by the CMA. Should the acquisition complete, the consideration payable will be reduced by this £6.0 million deposit.

Disposal of Benelux subsidiaries

On 2 August 2016, the Group sold its Benelux subsidiaries (Just-Eat Belgie BVBA and Just-Eat Benelux BV) to Takeaway.com for £19.3 million total consideration. The Group recognised a net gain on disposal of £18.7 million, which is recorded in other gains and losses (see Note 6). The gain was calculated as follows:

	£m
Total consideration	**19.3**
Net assets disposed	**(0.4)**
Cumulative translation losses	**(0.1)**
Transaction costs	**(0.1)**
Net gain on disposal	**18.7**
Satisfied by:	
Cash consideration	**15.7**
Deferred consideration	**3.6**
Total consideration	**19.3**
Net cash outflow arising on disposal:	
Consideration received	**15.7**
Less cash and cash equivalents disposed	**(1.1)**
Net cash inflow arising on disposal	**14.6**

11. Net cash inflow from operating activities

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Operating profit for the year	**72.5**	35.5
Adjustments for:		
Share of results of associates	**0.1**	2.2
Depreciation of property, plant and equipment	**6.2**	4.2
Amortisation of intangible assets	**18.1**	10.3
Loss on disposal of property, plant and equipment	**0.5**	-
Increase in provisions	**6.1**	-
Non-cash long-term employee incentive costs	**3.0**	2.6
Other non-cash items	**-**	0.4
Operating cash flows before movements in working capital	**106.5**	55.2
Increase in inventories	**(0.5)**	(0.3)
Decrease in receivables	**3.0**	1.9
Increase in payables	**1.9**	27.2
Decrease in deferred income	**(0.1)**	(0.4)
Cash generated by operations	**110.8**	83.6
Income taxes paid	**(12.7)**	(8.2)
Interest paid	**(0.4)**	(0.5)
Facility fees paid	**(0.7)**	(0.7)
Net cash inflow from operating activities	**97.0**	74.2

12. Related party transactions

Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions. The following transactions were entered into with related parties:

iFood

During the year ended 31 December 2016, the Group provided iFood with working capital funding of £2.1 million (2015: £2.5 million). The Group received additional shares as consideration for the funding. The majority shareholder (Movile) also participated in the funding. As the iFood's minority shareholders didn't participate in the funding, the Group's holding in iFood marginally increased to 30.5 per cent (2015: 30.2 per cent).

The Group disposed of 100 per cent of the shares in hellofood Brazil to iFood for £2.1 million total consideration. iFood have contracted to provide management services to the Mexican enlarged business. The total charge incurred for the year was £0.4 million, which was accrued on the balance sheet at 31 December 2016.

IF-JE NL

During the year, the Group along with Movile incorporated IF-JE NL, a holding company based in the Netherlands. The Group contributed £3.4 million in exchange for 33.3 per cent of the shares in the company. IF-JE NL used these funds along with £6.6 million of funds contributed by Movile to acquire 49 per cent of the share capital in ECAC for £12.1 million total consideration.

Key management personnel

On 24 March 2014, prior to the IPO, the Company called all the unpaid subscription amounts, totalling £13.2 million, in respect of certain shares issued under the JSOP. In order to facilitate this, the Company made loans to participants of the JSOP and Appleby Trust (Jersey) Limited totalling £5.3 million and £7.9 million, respectively. The loans provided to the participants of the JSOP included loans to key management personnel totalling £4.9 million. As at 31 December 2016, the amount due from key management personnel in respect of these loans was £1.1 million (2015: £3.0 million).

The total compensation (including the IFRS 2 Share Based Payment charge for share awards) of key management personnel for the year ended 31 December 2016 was £6.1 million (2015: £4.7 million).

13. Events after the balance sheet date

There have been no significant adjusting or non-adjusting events since the balance sheet date.