



27 July 2017

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

2017 Interim Results
Strong start to 2017, upgraded Full Year revenue guidance

Just Eat plc (LSE: JE.), a leading global marketplace for online food delivery, today reports its results for the six months ended 30 June 2017 ("H1" or the "First Half"), with revenues up 44% to £246.6 million and Underlying EBITDA¹ ("uEBITDA") up 38% to £73.6 million.

Financial Highlights

- Revenues up 44% to £246.6 million (H1 2016: £171.6 million), up 38% on a constant currency basis
- uEBITDA¹ up 38% to £73.6 million (H1 2016: £53.4 million)
- Orders up 24% to 80.4 million (H1 2016: 64.9 million), like-for-like² orders up 25%
- Profit before tax up 46% to £49.5 million (H1 2016: £33.8 million)
- Basic earnings per share ("EPS") up 49% to 5.5p (H1 2016: 3.7p)
- Adjusted basic EPS³ up 39% to 7.8p (H1 2016: 5.6p)
- Cash generated by operations up 35% to £68.1 million (H1 2016: £50.4 million)

Strategic and Operational Highlights

- Sequential improvement in the UK year-on-year order growth rate in Q2
- Continued strong momentum across our international markets, including SkipTheDishes in Canada
- Processed orders worth £1.5 billion for our Restaurant Partners up 36% (H1 2016: £1.1 billion)
- Active Users⁴ up 19% to 19.0 million (as at H1 2016: 15.9 million)
- Orders via mobile devices accounted for 75% of total orders (H1 2016: 70%)

Andrew Griffith, Interim Chairman, commented:

"This has been another excellent period of progress with revenues, profits and earnings all showing strong growth and once again demonstrating the strength of our business model. I would particularly like to commend the Interim Chief Executive Officer, Paul Harrison, and the entire team at Just Eat for their hard work and focus at a time of significant change in senior leadership.

Today's results, the recent appointment of Peter Plumb as Chief Executive Officer and the very substantial headroom for further growth in all of our territories mean that we are exceptionally well-placed as we enter the second half of the year."

Paul Harrison, Interim Chief Executive Officer and Chief Financial Officer, commented:

"Just Eat's marketplace connects millions of consumers to thousands of restaurants. The success of our business model is based on delivering ever-greater choice and convenience to customers, while bringing more benefits and services to our Restaurant Partners. We are pleased to see our continued investment in technology and marketing add value to both sides of this marketplace, which is reflected in the strong start we have made to 2017.

Our largest competitor remains the telephone in every market where we operate. However, we continue to drive channel shift and are pleased that 75% of total orders are now placed on mobile devices. In the UK, we have seen increased traffic to our website and improved consumer reorder rates, demonstrating the strength of our brand loyalty. Our international businesses, now 43% of Group revenues, have enjoyed further good momentum. In particular, the acquisition of SkipTheDishes has generated revenues above expectations and consolidated our market-leadership in Canada.

Outlook

Revenues for the First Half were ahead of management's expectations. Reflecting this more positive outlook for the Group, we are pleased to raise our revenue guidance for 2017 to between £500 – £515 million up from £480 – £495 million. In line with our strategy, we intend to reinvest this revenue outperformance into additional profitable growth opportunities, including further building on the momentum within the business and increased collaboration with branded UK restaurants. Therefore, uEBITDA¹ for the Full Year is still expected to be between £157 – £163 million."

Summary Results

	Period ended 30 June		Growth	Year ended
	2017	2016		31 December
	Unaudited	Unaudited		2016
Orders (millions)	80.4	64.9	24%	136.4
Average Revenue per Order (£)	2.84	2.47	15%	2.59
Revenue (£m)	246.6	171.6	44%	375.7
uEBITDA¹ (£m)	73.6	53.4	38%	115.3
Profit before tax (£m)	49.5	33.8	46%	91.3
Basic EPS (p)	5.5	3.7	49%	10.7
Adjusted basic EPS³ (p)	7.8	5.6	39%	12.2

Presentation

A presentation will be held for analysts and professional investors at 09.30am (UK time) at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

The presentation will be webcast live and will be accessible via the Just Eat website⁶ at www.justeatplc.com/investors/results-reports. A replay will also be available 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, such 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 subsequent events or circumstances following the date of this announcement.

¹ Underlying EBITDA ("uEBITDA") 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 currency gains and losses; and other gains and losses. At a segmental level, uEBITDA also excludes intra-group franchise fee arrangements and incorporates an allocation of Group technology and central costs (all of which net out at a consolidated level). A reconciliation between operating profit and uEBITDA is shown in Chief Financial Officer's Review and note 3 to the Interim Financial Statements.

² Excludes orders in both periods for our Benelux businesses, which were disposed on 2 August 2016.

³ 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 currency gains and losses; amortisation of acquired intangible assets; and the tax impact of the adjusting items.

⁴ Defined as those consumers that have placed at least one order within the last 12 months.

⁵ Orders and Average Revenue per Order are not audited measures included within the 2016 Annual Report.

⁶ The content of the Just Eat website should not be considered to form a part of or be incorporated into this announcement.

About Just Eat

Just Eat 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 19.0 million Active Users and 75,400 Restaurants Partners. Just Eat is a member of the FTSE 250 Index.

Interim CEO's Statement

Reflecting our increasing international scale along with continued success in the UK, we sent our Restaurant Partners 80.4 million orders worth £1.5 billion in the First Half, up 36% from £1.1 billion in the prior comparable period. Our international businesses now account for 43% of Group revenues (H1 2016: 36%) and we continue to see strong growth in those markets.

Just Eat's revenues were up 44% to £246.6 million (H1 2016: £171.6 million). uEBITDA increased 38% to £73.6 million and we generated £68.1 million of cash from operations, 35% more than the comparative prior period (H1 2016: £50.4 million). These results reflect our increased investment over recent years, notably more than £100 million since January 2015, in key areas such as technology and product development. These improvements are benefitting both sides of our marketplace.

Similarly, we continue to invest in our brand. During the First Half we completed the brand re-launch in six additional markets and are delighted to be sponsoring the X Factor television show in the UK later in 2017, which will see the business reach an even broader audience.

Together these investments remain critical to securing our future growth and we are pleased that they continue to deliver successful results.

Excluding the acquisition of SkipTheDishes ("Skip") in December 2016, the Group's uEBITDA margin was 32.7%, up from 31.1% in the prior comparable period. This 160bps increase reflects our continued profitable growth. Once Skip is included, given that it is still in the investment phase of its lifecycle, the uEBITDA margin is diluted to 29.8%.

Strategic progress

During the First Half, the UK business processed its 300 millionth order, just over 12 months after reaching the 200 million order milestone.

As a business, our focus remains on building our marketplace by improving our customers' experience and ensuring that our Restaurant Partners also see clear and significant benefits from being part of our community.

For our customers, we believe that choice remains a key factor in their experience. We are continuing to offer an ever-expanding choice and innovative, convenient ways of ordering whenever and wherever they wish to. We are also working on better ways to personalise the customer experience.

Reflecting this, by the end of the period, we offered food from 75,400 restaurants, up from 66,200 at 30 June 2016, a net increase of 9,200 new partners. We are also continuing to discuss new opportunities with branded restaurant groups, working with delivery partners where appropriate, to further expand our offering.

Our UK customers have continued to respond well to the improvements we have made to our apps, downloading them 2.5 million times and improving app penetration to 50% of orders (H1 2016: 46%). Mobile web accounted for a further 33% of orders (H1 2016: 32%). We have also launched on Fire TV, adding a further channel by which customers can order takeaway food. The telephone remains our single biggest competitor in every market in which we operate and, even in our most mature markets, our marketing initiatives, coupled with opening up more channels through which customers can access our platform, have continued to convert customers successfully from telephone to online ordering. This channel shift is supported by a number of broad secular trends including demographic and behavioural changes along with increased choice and greater convenience.

We strive continually to be an indispensable partner to our Restaurant Partners, helping them to grow revenues and profitability. As well as providing orders through our platform, we continue to provide a growing range of compelling services, such as wholesale deals like those highlighted in March 2017 at the time of the full-year announcement, that enable them to save money on their most important purchases.

During the First Half, the Just Eat Restaurant Service team rolled out partnerships on utilities including gas, electricity and water, and added a number of exclusive supply agreements with key consumer brands. In the second half of the year we expect to roll out this initiative to selected international markets. Access to these offers is now available directly through our Orderpad platform. More than 50 of our Restaurant Partners save more money through these exclusive packages than they pay Just Eat in commission. The provision of these services deepens the trusted relationships that we have with our Restaurant Partners and strengthens their business.

We deployed a further 5,000 Orderpad devices into our Restaurant Partners across seven markets, and they are enthusiastically embracing its features including delivering "Order on its Way" notifications to customers, enhancing their order experience. Our Partner Centre apps are now available in each market on the Just Eat core platform and also via the Orderpad.

Underpinning the growth and the focus on the two sides of our marketplace is the underlying strength in our platform, our targeted M&A and our marketing strategy.

Whilst our pipeline of product enhancements remains strong, improving the consumer experience does not just take the form of additional features or access points. We also invest continually to improve the reliability and stability of the platform. The scale and platform stability in the UK was demonstrated when the business enjoyed a record breaking 430 thousand orders on Saturday 29 April, as part of a 1.5 million order bank holiday weekend.

The impact of Skip in the First Half has been very positive following its acquisition at the end of 2016. The results delivered have helped the business achieve its primary objective of securing a leadership position in Canada. We have also engaged the Skip management team to provide greater expertise in delivery operations as they have demonstrated how early success can be achieved, this will be helpful when working with branded restaurant groups.

Whilst we retain a flexible multi-channel approach to marketing, television remains the most efficient driver of channel shift at scale and we were delighted to announce our sponsorship of X Factor in the UK. Our advertising has driven new customers to our platform, particularly apps, which continue to see strong growth, and several markets see the majority of orders now coming through apps. The international roll-out of our rebrand over the First Half has been considered successful.

Corporate

In December 2016, the Group announced the purchase of hungryhouse, subject to approval by the Competition and Markets Authority ("CMA"). In May 2017, the CMA referred its review of the proposed acquisition to a 'phase 2' investigation. Just Eat is cooperating with the CMA and is committed to demonstrating the vibrant competition in our market, which includes some of the largest global technology businesses, and will remain competitive following completion of the proposed transaction.

Our people

Our people are critical to our continued success and we remain focused on maintaining a high performance, entrepreneurial culture at Just Eat. Particularly at a time of senior management change, I would like to thank the entire team who have worked tirelessly once again to deliver a strong set of results.

We recently announced that Peter Plumb would be joining Just Eat as Chief Executive Officer on 18 September, and we look forward to welcoming him to the Just Eat team.

Dr John Hughes CBE

I would like to pay tribute to John Hughes, our former Chairman, who sadly passed away in June following a short period of illness. John had been our Chairman since 2011 and played a crucial role in shaping the Company and its successful strategy, as well as taking the business through IPO. He will be greatly missed as a colleague and for his outstanding contribution to the broader business community.

Paul Harrison

Interim Chief Executive Officer and Chief Financial Officer

26 July 2017

Chief Financial Officer's Review

Group revenues were £246.6 million (H1 2016: £171.6 million), up 44% compared to the same period last year (H1 2016: up 59%). On a constant currency basis, revenue growth was 38% (H1 2016: 57%). The Group's uEBITDA margin was 29.8% (H1 2016: 31.1%). Profit before tax was up 46% to £49.5 million (H1 2016: £33.8 million).

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	Audited
	£m	£m	£m
<i>Continuing operations</i>			
Revenues	246.6	171.6	375.7
Cost of sales	(36.8)	(15.7)	(35.2)
Gross profit	209.8	155.9	340.5
Long-term employee incentive costs	(3.3)	(1.7)	(3.1)
Exceptional items	(4.3)	(5.9)	(14.6)
Other administrative expenses	(152.3)	(113.7)	(250.2)
Total administrative expenses	(159.9)	(121.3)	(267.9)
Share of results of associates	0.5	(0.2)	(0.1)
Operating profit	50.4	34.4	72.5
Gain on disposal of Benelux businesses	-	-	18.7
Net other (losses)/gains	(0.7)	(0.7)	0.1
Finance income	0.2	0.3	0.6
Finance costs	(0.4)	(0.2)	(0.6)
Profit before tax	49.5	33.8	91.3
Taxation	(13.1)	(9.1)	(19.9)
Profit for the period	36.4	24.7	71.4
Basic EPS (pence per share)	5.5	3.7	10.7
Adjusted basic EPS (pence per share)	7.8	5.6	12.2

The Group's revenue growth continued to be strong. This was driven by order growth, increasing average revenues per order ("ARPO") and ancillary revenues. Our international businesses now generate 43% of total Group revenue (H1 2016: 36%) as they continue to drive channel shift in their under-penetrated markets. These markets continue to follow patterns experienced historically by our more established markets such as Denmark and the UK. Group ARPO increased by 15% from £2.47 to £2.84, driven by commission rate increases during 2016 in the UK and Australia & New Zealand, along with currency tailwinds.

The growth in revenues was also underpinned by the acquisition of Skip in December 2016, which has achieved order growth above expectations, but also incurred higher losses as the business is still in the early stages of its development. Aside from the Established Markets segment, our other reported segments have seen margins improve. Our market leadership positions, combined with the Group's financial discipline and the inherent operational leverage in the business model, have resulted in uEBITDA increasing to £73.6 million from £53.4 million in H1 2016.

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 uEBITDA. 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 reflect underlying trading performance. A reconciliation between operating profit and uEBITDA is shown on the following page:

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Operating profit	50.4	34.4	72.5
Depreciation and amortisation	15.4	11.6	24.9
Long-term employee incentive costs	3.3	1.7	3.1
Exceptional items	4.3	5.9	14.6
Net foreign exchange losses/(gains)	0.2	(0.2)	0.2
Underlying EBITDA	73.6	53.4	115.3

Segmental review

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

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	m	m	Audited
			m
Segment orders			
United Kingdom	49.5	42.0	88.1
Australia & New Zealand	7.4	6.4	13.8
Established Markets	14.6	10.7	21.6
Developing Markets	8.9	5.8	12.9
Total orders	80.4	64.9	136.4

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Net revenues			
United Kingdom	140.1	110.5	237.1
Australia & New Zealand	23.6	14.7	36.8
Established Markets	62.4	35.1	75.5
Developing Markets	20.5	11.2	26.2
Total segment revenues	246.6	171.5	375.6
Head Office	-	0.1	0.1
Total revenues	246.6	171.6	375.7

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Underlying EBITDA			
United Kingdom	73.4	57.7	121.8
Australia & New Zealand	6.5	2.3	7.6
Established Markets	4.7	5.8	13.3
Developing Markets	(3.6)	(7.1)	(13.7)
Total segment Underlying EBITDA	81.0	58.7	129.0
Share of equity-accounted associates (excluding depreciation and amortisation)	0.9	-	0.5
Head Office	(8.3)	(5.3)	(14.2)
Underlying EBITDA	73.6	53.4	115.3

Established Markets comprise our businesses in Denmark, France, Ireland, Canada, Switzerland, Norway, and prior to 2 August 2016, Benelux, which was disposed at that date. The businesses in this segment continue to mature and are mostly 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 more established markets. These countries are experiencing high rates of growth, and profitability is only expected to follow once a greater share of the online takeaway delivery market is achieved.

The results of each segment include a fully allocated share of central technology, product and Head Office costs.

UK

Strong growth in the UK business continued in the period, with revenues up by 27% to £140.1 million (H1 2016: £110.5 million).

The increase in UK revenues was driven by order growth of 18% (H1 2016: 37%) and ARPO growth of 6% (H1 2016: 6%) driven by the commission increase in Q2 2016, increasing traffic to the website, and improvements to both conversion and consumer reorder rates.

Key highlights in the First Half include:

- achieving the 300 millionth UK order, after achieving the 200 millionth order in H1 2016
- increasing the Active User base by 15% to 9.7 million customers
- accelerated year-on-year order growth from Q1 2017 to Q2 2017
- blended commission rate increase from 12.6% to 13.2% reflecting the well-executed commission increase in Q2 2016
- continued increase in the proportion of orders placed via a mobile device to 83% (H1 2016: 78%)

The uEBITDA margin was maintained at 52% (H1 2016: 52%) whilst still allowing for strong investment in marketing. As we enter the second half of the year, we expect marketing investment to increase, particularly with the recently announced sponsorship of X Factor.

Australia & New Zealand

Over the First Half, the Menulog Group generated revenues of £23.6 million, up 37% on a constant currency basis, and £6.5 million of uEBITDA, an increase of 141% also on a constant currency basis. Revenues were driven by a 16% increase in orders and a commission increase in Q3 2016. The uEBITDA margin increased for the third consecutive half year since acquisition, to 28% (H1 2016: 16%).

Our teams have been working to expand coverage across Australia thereby reducing the concentration of orders from the two largest cities to 70% (H1 2016: 73%). This has been achieved through targeted city campaigns, coupled with strong national multi-media advertising.

As highlighted at the time of the Full Year 2016 Results, 2017 is an important year of transition for our Australia & New Zealand business. Whilst we are pleased with the year-on-year revenue growth and the substantial margin expansion, the current level of order growth reflects the work at hand on platform migration and brand consolidation.

Established Markets

This segment comprises six countries with a range of revenue growth rates but representing similar relative maturity and market positions. Over the past 12 months, following the sale of our Benelux businesses in August 2016, and the acquisition of Skip in December 2016, the Group has consolidated its market leading positions.

In the First Half, the Skip business generated revenues and uEBITDA losses of £16.4 million and £1.6 million, respectively. As a result of the increased level of investment into this segment, year-on-year revenue growth accelerated to 78%.

In other markets, Denmark entered its 16th consecutive year of incremental order growth and Ireland's performance continues to be strong.

In France we have adopted a similar approach to that in Australia of reducing dependence on key cities, namely Paris. Accordingly, orders generated in Paris in June 2017 now represent 70% (H1 2016: 77%) of all orders generated in France.

As a result of the additional investment into the Canadian market, highlighted at the time of acquisition of Skip, segmental uEBITDA margins were 8% (H1 2016: 17%).

Developing Markets

This segment consists of our under-penetrated and high potential markets of Spain, Italy and Mexico. Orders grew 53% year-on-year, whilst revenues were up 65% on a constant currency basis, and up 83% to £20.5 million on a reported basis (H1 2016: £11.2 million). With increased scale, and material synergies resulting from last year's acquisitions, uEBITDA losses reduced to £3.6 million (H1 2016: £7.1 million loss) and uEBITDA margin again improved year-on-year.

Share of results from associates

In the First Half of the year, IF-JE, our Latin America associate, generated revenues of £31.4 million, an increase of 217% compared to the prior period. This was principally as a result of a 130% increase in orders to 21.4 million (H1 2016: 9.3 million). Brazil, in particular, has significant long-term potential and we will continue to invest to drive growth in Latin America.

Head Office costs

Head Office costs were £8.3 million (H1 2016: £5.3 million), reflecting continued investment in senior management, technology and product teams and in training and development, to meet the challenges of running a high growth business in a rapidly evolving sector.

Head Office costs include both the on-going central costs of operating the Group 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, including the cost of technology support and development including hosting, maintenance, innovation and engineering, 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 investment was £33.2 million (H1 2016: £19.6 million). This team grew to 467 people (H1 2016: 344). We continue to invest toward the goal of creating a single, core platform suitable for all our markets. Where technology spend meets the relevant requirements, it is capitalised. Specific, identifiable development costs totalling £4.7 million were capitalised in the period (H1 2016: £3.4 million).

Items outside of Underlying EBITDA

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	Audited
	£m	£m	£m
Amortisation – Acquired intangible assets (incl. associates)	9.7	7.3	15.8
Depreciation and amortisation – Other assets	5.7	4.3	9.1
Long-term employee incentive costs	3.3	1.7	3.1
Exceptional items	4.3	5.9	14.6
Net foreign exchange losses/(gains)	0.2	(0.2)	0.2

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 were the restaurant contracts, the brands of the acquired businesses and any intellectual property, typically relating to the underlying technology platform.

Depreciation

The depreciation charges mainly related to 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 were £3.3 million (H1 2016: £1.7 million) which primarily relate to share awards granted to employees, which are recognised over the vesting period of the awards.

Exceptional items

Exceptional items of £4.3 million (H1 2016: £5.9 million) include transaction costs and integration costs relating to recent completed deals including Skip, as well as the on-going proposed acquisition of hungryhouse in the UK.

Items below operating profit

Other gains and losses

The business has recorded non-operational gains and losses during the period.

	Period ended 30 June 2017 Unaudited £m	2016 Unaudited £m	Year ended 31 December 2016 Audited £m
Gain on disposal of Benelux	-	-	18.7
Movements in minority shareholder buy-out liabilities	(0.4)	(0.7)	-
Other (losses)/gains	(0.3)	-	0.1
Net other (losses)/gains	(0.7)	(0.7)	0.1

Net finance costs

The net finance costs were £0.2 million (H1 2016: £0.1 million income). Finance income results from interest on deposits held. In 2017 this was offset by the fees associated with the Group's £200 million revolving credit facility, which was extended from £90 million in December 2016.

Profit before tax

Profit before tax for the period was £49.5 million (H1 2016: £33.8 million), up 46%, demonstrating the continued flow through from operating profits.

Taxation

The income tax expense was recognised based on management's best estimate of the annual income tax rate expected for each jurisdiction for the full financial year applied to profit before tax for the interim period, jurisdiction by jurisdiction. On this basis, the Group's tax charge was £13.1 million (H1 2016: £9.1 million). The adjusted effective tax rate, after taking account of the impact of long-term employee incentive costs, exceptional items, foreign exchange gains and losses, other gains and losses, amortisation of acquired intangibles and their associated tax impact, was 23.4% (H1 2016: 23.5%). The effective tax rate, based on profit before tax, was 26.5% (H1 2016: 26.9%).

Earnings per share

Adjusted basic EPS were 7.8p (H1 2016: 5.6p), an increase of 39% in the period. Adjusted basic EPS is calculated using the adjusted profit attributable to the holders of Ordinary shares. Basic EPS for the period were up 49% to 5.5p (H1 2016: 3.7p).

Cash flow

The Group continued its high level of cash conversion, benefiting from collecting the gross order value ahead of making net payments to its Restaurant Partners. Cash generated by operations was £68.1 million (H1 2016: £50.4 million).

At the balance sheet date, the Group had cash balances of £177.5 million (as at H1 2016: £136.4 million). Excluding cash remitted to restaurants following the end of the period, the Group assessed its operational cash balance to be £143.9 million (as at H1 2016: £96.5 million). The Group had borrowings of £1.0 million (as at H1 2016: £1.1 million). The Group has access to a £200 million revolving credit facility (as at H1 2016: £90 million), which was undrawn at the balance sheet date.

Capital structure and dividend

No dividends were declared during the period (H1 2016: nil). Whilst Just Eat continues to generate strong earnings and cash conversion, the Board has not recommended a dividend since the IPO, as in order to deliver longer-term value, the Group has retained profits to invest in development and expansion as opportunities arise. The board regularly reviews this policy.

Foreign exchange

The Group has foreign currency translation exposures and the reported results are therefore impacted by movements in exchange rates. The average rates used to translate the consolidated income statement and to neutralise foreign exchange in prior year constant currency and like-for-like figures are provided in the table below.

	H1 2017	H1 2016	Change
Euro	1.16	1.28	-9%
Australian Dollar	1.67	1.95	-14%
Canadian Dollar	1.68	1.91	-12%

Related party transactions

Related party transactions are disclosed in note 14 to the Interim Financial Statements.

Principal risks and uncertainties

The principal risks and uncertainties set out in the last annual report remain valid at the date of this report. In summary, these include:

- the competitive position of the Group
- changes in regulation and legislation
- high dependency on technology and advanced information systems
- the risk of online security breaches and disruptions to operations due to hacking, viruses, fraud and malicious attack
- challenges in growing and scaling the business

Going concern

As stated in note 2 to the Interim Financial Statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report. Accordingly, we continue to adopt the going concern basis in preparing the Interim Financial Statements.

Cautionary statement

This report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Interim Management Report should not be relied on by any other party or for any other purpose.

In making this report, the Company is not seeking to encourage any investor to either buy or sell shares in the Company. Any investor in any doubt about what action to take is recommended to seek financial advice from an independent financial advisor authorised by the Financial Services and Markets Act 2000.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge:

- the Interim Financial Statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)
- the Interim Management Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein)

Paul Harrison

Interim Chief Executive Officer and Chief Financial Officer

26 July 2017

Consolidated Income Statement
For the period ended 30 June 2017

		Period ended 30 June		Year ended
	Notes	2017	2016	31 December
		Unaudited	Unaudited	2016
		£m	£m	Audited
				£m
<i>Continuing operations</i>				
Revenues	3	246.6	171.6	375.7
Cost of sales		<u>(36.8)</u>	<u>(15.7)</u>	<u>(35.2)</u>
Gross profit		209.8	155.9	340.5
Long-term employee incentive costs	4	(3.3)	(1.7)	(3.1)
Exceptional items	5	(4.3)	(5.9)	(14.6)
Other administrative expenses		<u>(152.3)</u>	<u>(113.7)</u>	<u>(250.2)</u>
Total administrative expenses		(159.9)	(121.3)	(267.9)
Share of results of associates		<u>0.5</u>	<u>(0.2)</u>	<u>(0.1)</u>
Operating profit		50.4	34.4	72.5
Gain on disposal of Benelux businesses	6	-	-	18.7
Net other (losses)/gains	6	(0.7)	(0.7)	0.1
Finance income		0.2	0.3	0.6
Finance costs		<u>(0.4)</u>	<u>(0.2)</u>	<u>(0.6)</u>
Profit before tax		49.5	33.8	91.3
Taxation	7	<u>(13.1)</u>	<u>(9.1)</u>	<u>(19.9)</u>
Profit for the period		<u>36.4</u>	<u>24.7</u>	<u>71.4</u>
<i>Attributable to:</i>				
Owners of the Company		37.3	24.7	71.7
Non-controlling interests		<u>(0.9)</u>	-	<u>(0.3)</u>
		<u>36.4</u>	<u>24.7</u>	<u>71.4</u>
Earnings per Ordinary Share (pence)				
Basic	8	5.5	3.7	10.7
Diluted	8	5.4	3.6	10.5
Adjusted earnings per Ordinary Share (pence)				
Basic	8	7.8	5.6	12.2
Diluted	8	7.7	5.5	12.0
Reconciliation of operating profit to Underlying EBITDA				
Operating profit		50.4	34.4	72.5
Depreciation and amortisation	3	15.4	11.6	24.9
Long-term employee incentive costs	4	3.3	1.7	3.1
Exceptional items	5	4.3	5.9	14.6
Net foreign exchange losses/(gains)		<u>0.2</u>	<u>(0.2)</u>	<u>0.2</u>
Underlying EBITDA	3	<u>73.6</u>	<u>53.4</u>	<u>115.3</u>

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
For the period ended 30 June 2017**

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Profit for the period	36.4	24.7	71.4
<i>Items that may be reclassified subsequently to income statement:</i>			
Exchange differences on translation of foreign operations – Group	11.2	74.3	97.9
Exchange differences on translation of foreign operations – Associates	(1.8)	5.8	7.7
Exchange differences on translation of foreign operations reclassified to the income statement on disposal	-	-	0.1
Exchange differences on translation of non-controlling interest	0.6	-	(0.2)
Fair value (losses)/gains on cash flow hedges	(0.2)	2.2	1.8
Income tax related to fair value of (losses)/gains on cash flow hedges	-	(0.5)	(0.5)
Net fair value losses on cash flow hedges reclassified to goodwill	-	(1.4)	(1.3)
Other comprehensive income for the period	9.8	80.4	105.5
Total comprehensive income for the period	46.2	105.1	176.9
<i>Attributable to:</i>			
Owners of the Company	46.5	105.0	177.4
Non-controlling interests	(0.3)	0.1	(0.5)
Total comprehensive income for the period	46.2	105.1	176.9

Consolidated Balance Sheet
As at 30 June 2017

	Notes	As at 30 June		As at 31
		2017 Unaudited £m	2016 Unaudited £m	December 2016 Audited £m
Non-current assets				
Goodwill	9	736.1	612.2	725.2
Other intangible assets		98.5	85.8	103.4
Property, plant and equipment		15.2	10.3	12.4
Investments in associates		44.0	24.0	29.7
Other investments	11	4.1	0.3	4.1
Deferred tax assets	7	12.3	10.5	14.4
		<u>910.2</u>	<u>743.1</u>	<u>889.2</u>
Current assets				
Operating cash		143.9	96.5	96.8
Cash to be paid to Restaurant Partners		33.6	39.9	33.8
Cash and cash equivalents		177.5	136.4	130.6
Inventories		2.5	1.1	1.7
Trade and other receivables		23.7	14.0	26.5
Current tax assets		1.1	1.0	0.4
Other financial assets		-	0.3	-
Assets classified as held for sale		-	2.2	-
		<u>204.8</u>	<u>155.0</u>	<u>159.2</u>
Total assets		<u>1,115.0</u>	<u>898.1</u>	<u>1,048.4</u>
Current liabilities				
Trade and other payables		(117.8)	(107.4)	(112.1)
Current tax liabilities		(25.8)	(17.9)	(22.0)
Deferred revenues		(3.5)	(3.5)	(3.8)
Provisions for liabilities	12	(35.5)	(1.1)	(13.6)
Borrowings		(0.7)	(1.1)	(0.4)
Other financial liabilities	11	(0.1)	-	-
		<u>(183.4)</u>	<u>(131.0)</u>	<u>(151.9)</u>
Net current assets		<u>21.4</u>	<u>24.0</u>	<u>7.3</u>
Non-current liabilities				
Deferred tax liabilities	7	(23.2)	(22.6)	(25.9)
Deferred revenues		(0.9)	(1.1)	(0.9)
Provisions for liabilities	12	(20.7)	(9.9)	(43.1)
Borrowings		(0.3)	-	(0.6)
Other long-term liabilities	13	(9.4)	(0.6)	(0.3)
		<u>(54.5)</u>	<u>(34.2)</u>	<u>(70.8)</u>
Total liabilities		<u>(237.9)</u>	<u>(165.2)</u>	<u>(222.7)</u>
Net assets		<u>877.1</u>	<u>732.9</u>	<u>825.7</u>
Equity				
Share capital		6.8	6.8	6.8
Share premium account		562.5	555.7	562.2
Translation reserve		104.1	69.0	94.7
Other reserves		(6.3)	(6.0)	(6.4)
Retained earnings		201.6	106.9	160.7
Equity attributable to owners of the Company		<u>868.7</u>	<u>732.4</u>	<u>818.0</u>
Non-controlling interest		8.4	0.5	7.7
Total equity		<u>877.1</u>	<u>732.9</u>	<u>825.7</u>

**Consolidated Statement of Changes in Equity
For the period ended 30 June 2017**

	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 2017 (audited)	6.8	562.2	94.7	(6.4)	160.7	818.0	7.7	825.7
Profit for the period	-	-	-	-	37.3	37.3	(0.9)	36.4
Other comprehensive income	-	-	9.4	(0.2)	-	9.2	0.6	9.8
Total comprehensive income/(loss) for the period	-	-	9.4	(0.2)	37.3	46.5	(0.3)	46.2
Tax on share options	-	-	-	-	0.8	0.8	-	0.8
Exercise of share options	-	0.3	-	-	-	0.3	-	0.3
Share based payment charge	-	-	-	-	2.8	2.8	-	2.8
Exercise of JSOP awards	-	-	-	0.3	-	0.3	-	0.3
Adjustment to Mexican NCI	-	-	-	-	-	-	1.0	1.0
30 June 2017 (unaudited)	6.8	562.5	104.1	(6.3)	201.6	868.7	8.4	877.1

**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 2016 (audited)	6.8	555.5	(11.0)	(6.4)	80.6	625.5	0.4	625.9
Profit for the period	-	-	-	-	24.7	24.7	-	24.7
Other comprehensive income	-	-	80.0	0.3	-	80.3	0.1	80.4
Total comprehensive income/(loss) for the period	-	-	80.0	0.3	24.7	105.0	0.1	105.1
Tax on share options	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Issue of capital (net of costs)	-	0.2	-	-	-	0.2	-	0.2
Share based payment charge	-	-	-	-	1.7	1.7	-	1.7
Exercise of JSOP awards	-	-	-	0.1	-	0.1	-	0.1
30 June 2016 (unaudited)	6.8	555.7	69.0	(6.0)	106.9	732.4	0.5	732.9
Profit for the period	-	-	-	-	47.0	47.0	(0.3)	46.7
Other comprehensive income	-	-	25.7	(0.3)	-	25.4	(0.3)	25.1
Total comprehensive income/(loss) for the period	-	-	25.7	(0.3)	47.0	72.4	(0.6)	71.8
Tax on share options	-	-	-	-	0.9	0.9	-	0.9
Issue of capital (net of costs)	-	6.0	-	-	-	6.0	-	6.0
Exercise of share options	-	0.5	-	-	-	0.5	-	0.5
Share based payment charge	-	-	-	-	1.1	1.1	-	1.1
Treasury shares	-	-	-	(0.5)	-	(0.5)	-	(0.5)
Exercise of JSOP awards	-	-	-	0.4	-	0.4	-	0.4
Partial disposal Mexican business	-	-	-	-	4.8	4.8	7.3	12.1
Adjustment to Mexican NCI	-	-	-	-	-	-	0.5	0.5
31 December 2016 (audited)	6.8	562.2	94.7	(6.4)	160.7	818.0	7.7	825.7

**Consolidated Cash Flow Statement
For the period ended 30 June 2017**

		Period ended 30 June		Year ended
		2017	2016	31 December
	Notes	Unaudited £m	Unaudited £m	2016 Audited £m
Net cash inflow from operating activities	10	58.3	47.8	97.0
Investing activities				
Interest received		0.2	0.3	0.6
hungryhouse acquisition deposit		-	-	(6.0)
Cash outflow on acquisition of businesses		(0.3)	(98.0)	(154.7)
Cash inflow on disposal of Benelux businesses		3.7	-	14.6
Cash inflow on disposal of hellofood Brazil		-	-	2.1
Cash inflow on sale of minority stake in Mexican business		0.5	-	9.3
Funding provided by minority interests		0.8	-	0.5
Cash outflow on acquisition of interests in associates		(2.0)	(2.1)	(7.2)
Funding provided to associates		-	(1.8)	(2.1)
Purchases of investments		-	-	(3.5)
Purchases of property, plant and equipment		(8.2)	(4.3)	(9.5)
Purchases of intangibles assets		(8.3)	(4.3)	(11.7)
Other cash outflows		-	-	0.1
Net cash used in investing activities		(13.6)	(110.2)	(167.5)
Financing activities				
Proceeds arising on exercise of options and awards		1.0	0.2	2.4
Proceeds from sale of shares by the employee benefit trust		-	1.4	-
Cash outflow of the acquisition of minority interest		-	(0.2)	(0.1)
Net cash from financing activities		1.0	1.4	2.3
Net increase/(decrease) in cash and cash equivalents		45.7	(61.0)	(68.2)
Net cash and cash equivalents at beginning of period		130.6	192.7	192.7
Effect of changes in foreign exchange rates		1.2	4.7	6.1
Net cash and cash equivalents at end of period		177.5	136.4	130.6

Notes to the Interim Financial Statements

1. General information

The Directors of Just Eat plc (the "Company") present their interim report and the unaudited condensed consolidated financial statements for the period ended 30 June 2017 ("Interim Financial Statements").

The Company is a public limited company, incorporated and domiciled in the UK. Its registered address is Masters House, 107 Hammersmith Road, London, W14 0QH.

The Interim Financial Statements have been reviewed, but not audited, by Deloitte LLP and were approved by the Board of Directors on 26 July 2017.

The information for the period ended 30 June 2017 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements, for the year ended 31 December 2016, which were prepared in accordance with European Union endorsed International Financial Reporting Standards ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Annual Report and Financial Statements for the year ended 31 December 2016 were approved by the Board of Directors on 6 March 2017 and delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting' as endorsed by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The Interim Financial Statements are presented in sterling, rounded to the nearest £0.1 million, unless otherwise stated. They were prepared under the historical cost convention, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, available for sale investments, derivatives and provisions for social security costs on the exercise of options by employees, which were measured at fair value.

Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

Accounting policies

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2016.

Critical accounting judgements and key sources of estimation uncertainty

In the course of preparing financial statements, management necessarily makes judgements and estimates that can have a significant impact on the financial statements. The most critical accounting judgements relate to revenue recognition, share based payments and deferred taxation. Key sources of estimation uncertainty relate to acquired intangible assets, impairment of goodwill and intangible assets, fair value measurement and valuation process and taxation. The use of inaccurate assumptions in assessments made for any of these judgements and estimates could result in a significant impact on the financial results.

These critical accounting judgements and key sources of estimation uncertainty are the same as those disclosed in note 40 of the Group's 2016 Annual Report, which can be obtained from the Company's registered office or from the Company's website www.justeatplc.com.

3. Segmental analysis

The Group reports four operating segments: the UK, Australia & New Zealand, Established Markets and Developing Markets. Established Markets comprise of operations in Canada, Denmark, France, Ireland, Norway, Switzerland and Benelux (sold 2 August 2016). Developing Markets comprise of Italy, Mexico and Spain.

Each segment includes businesses with similar operating and marketing characteristics. Underlying EBITDA is the main measure of profit used by the Chief Operating Decision Maker ("CODM") to assess and manage performance. The CODM is Paul Harrison, the Group's Interim Chief Executive Officer, and Chief Financial Officer. Underlying EBITDA is based on EBITDA (defined as earnings before finance income and costs; taxation; depreciation and amortisation) and additionally excludes the Group's share of depreciation and amortisation of its associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses. 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).

	Period ended 30 June		Year ended 31
	2017	2016	December
Revenues	Unaudited £m	Unaudited £m	2016 Audited £m
United Kingdom	140.3	111.5	238.3
Less inter-segment sales	(0.2)	(1.0)	(1.2)
United Kingdom	<u>140.1</u>	<u>110.5</u>	<u>237.1</u>
Australia & New Zealand	23.6	14.7	36.8
Established Markets	62.4	35.1	75.5
Developing Markets	<u>20.5</u>	<u>11.2</u>	<u>26.2</u>
Total segment revenues	246.6	171.5	375.6
Head Office	0.6	0.3	2.8
Less inter-segment sales	(0.6)	(0.2)	(2.7)
Head Office	<u>-</u>	<u>0.1</u>	<u>0.1</u>
Total revenues	<u>246.6</u>	<u>171.6</u>	<u>375.7</u>

The Group's revenues were generated as follows:

	Period ended 30 June		Year ended 31
	2017	2016	December
Revenues	Unaudited £m	Unaudited £m	2016 Audited £m
Commission revenues	205.7	137.8	305.2
Payment card and administration fees	28.6	22.8	48.5
Discounts	(6.4)	(3.8)	(9.5)
Order driven revenues	<u>227.9</u>	<u>156.8</u>	<u>344.2</u>
Top-placement fees	13.8	8.8	19.7
Connection fees and other revenues	<u>4.9</u>	<u>6.0</u>	<u>11.8</u>
Total revenues	<u>246.6</u>	<u>171.6</u>	<u>375.7</u>

In the current period, we consider it more appropriate to include the impact of discounts and vouchers within order driven revenues, having previously recognised these within other revenues. The prior comparatives have been adjusted accordingly.

3. Segmental analysis *continued*

Underlying EBITDA and profit	Period ended 30 June		Year ended
	2017 Unaudited £m	2016 Unaudited £m	2016 Audited £m
United Kingdom	73.4	57.7	121.8
Australia & New Zealand	6.5	2.3	7.6
Established Markets	4.7	5.8	13.3
Developing Markets	(3.6)	(7.1)	(13.7)
Total segment Underlying EBITDA	81.0	58.7	129.0
Share of equity accounted associates (excluding depreciation and amortisation)	0.9	-	0.5
Head Office costs	(8.3)	(5.3)	(14.2)
Underlying EBITDA	73.6	53.4	115.3
Long-term employee incentive costs	(3.3)	(1.7)	(3.1)
Exceptional items	(4.3)	(5.9)	(14.6)
Net foreign exchange (losses)/gains	(0.2)	0.2	(0.2)
EBITDA	65.8	46.0	97.4
Depreciation – Subsidiaries	(3.3)	(3.0)	(6.2)
Amortisation – Acquired intangible assets	(9.3)	(7.1)	(15.5)
Amortisation – Other intangible assets	(2.4)	(1.3)	(2.6)
Depreciation and amortisation – Associates	(0.4)	(0.2)	(0.6)
Operating profit	50.4	34.4	72.5
Gain on disposal of Benelux	-	-	18.7
Net other (losses)/gains	(0.7)	(0.7)	0.1
Finance income	0.2	0.3	0.6
Finance costs	(0.4)	(0.2)	(0.6)
Profit before tax	49.5	33.8	91.3

Property, plant & equipment and intangible assets

	Additions			Depreciation and amortisation		
	Period ended 30 June		Year ended	Period ended 30 June		Year ended
	2017 £m	2016 £m	31 December 2016 £m	2017 £m	2016 £m	31 December 2016 £m
United Kingdom	1.4	0.3	2.9	1.6	1.8	3.5
Australia & New Zealand	0.9	0.2	1.3	5.6	4.7	10.2
Established Markets	1.6	0.3	113.6	3.5	1.9	4.6
Developing Markets	1.0	96.5	98.2	2.0	1.6	3.2
	4.9	97.3	216.0	12.7	10.0	21.5
Head Office	9.4	4.9	12.3	2.3	1.4	2.8
Associates	-	-	-	0.4	0.2	0.6
Total	14.3	102.2	228.3	15.4	11.6	24.9

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

During the period ended 30 June 2017, the Group recognised a charge in respect of long-term employee incentive costs of £3.3 million (period ended 30 June 2016: £1.7 million; year ended 31 December 2016: £3.1 million). This charge was in respect of the Group's share-based long-term incentive plans and related employer's national insurance (or local equivalent). During the period, the Company granted awards of 2,217,059 shares under the Group's long-term employee incentive plans (period ended 30 June 2016: 1,496,000 shares).

5. Exceptional items

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
M&A transaction costs	1.2	1.4	9.5
Acquisition integration costs	3.1	4.5	5.1
Total exceptional items	4.3	5.9	14.6

For the period ended 30 June 2017, the M&A transaction costs principally relate to legal and other third party costs incurred as a result of the proposed hungryhouse acquisition, and costs resulting from the CMA review.

The acquisition integration costs principally relate to the planned knowledge sharing earn-out arrangement agreed with the vendors of SkipTheDishes which formed part of the deal when Skip was acquired in December 2016.

6. Other gains and losses

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Gain on disposal of Benelux	-	-	18.7
Movements in minority shareholder buy-out liabilities	(0.4)	(0.7)	-
Other (losses)/gains	(0.3)	-	0.1
Net other (losses)/gains	(0.7)	(0.7)	0.1

The Group is committed to the future acquisition of the minority shareholdings of one of its subsidiaries. The estimated liability for this commitment increased by £0.4 million during the period (30 June 2016: increased by £0.7 million).

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

7. Taxation

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Current taxation			
Current period	13.2	13.8	29.0
Adjustment for prior periods	-	-	0.1
	<u>13.2</u>	<u>13.8</u>	<u>29.1</u>
Deferred taxation			
Temporary timing differences	(0.1)	(4.7)	(8.6)
Adjustments for prior periods	-	-	(0.7)
Effect of tax rate change	-	-	0.1
	<u>(0.1)</u>	<u>(4.7)</u>	<u>(9.2)</u>
Total tax charge for the period	<u>13.1</u>	<u>9.1</u>	<u>19.9</u>

The income tax expense was recognised based on management's best estimate of the annual income tax rate expected for each jurisdiction for the full financial year, applied to the profit before tax for the period ended 30 June 2017, on a jurisdiction by jurisdiction basis. The effective tax rate on profit before tax was 26.5% (period ended 30 June 2016: 26.9%; year ended 31 December 2016: 21.8%). The effective tax rate on underlying profits (i.e. profits before adjusting items) for the period ended 30 June 2017 was 23.4% (period ended 30 June 2016: 23.5%; year ended 31 December 2016: 23.4%). The adjusting items comprise of 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 net deferred tax liability recognised at 30 June 2017 was £10.9 million (period ended 30 June 2016: £12.1 million deferred tax liability; year ended 31 December 2016: £11.5 million deferred tax liability). This comprises deferred tax assets relating primarily to equity settled shared-based incentives and tax losses recognised on consolidation totalling £12.3 million (period ended 30 June 2016: £10.5 million; year ended 31 December 2016: £14.4 million) and a deferred tax liability primarily arising on acquired intangibles totalling £23.2 million (period ended 30 June 2016: £22.6 million; year ended 31 December 2016: £25.9 million).

At 30 June 2017 there was a net unrecognised deferred tax asset of £18.9 million (period ended 30 June 2016: £21.9 million; year ended 31 December 2016: £18.0 million) primarily relating to unrecognised tax losses.

8. Earnings per share

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

Diluted earnings per share is 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 awards, unvested shares held pursuant to the Group's JSOP and SIP, and shares held in escrow that formed part of the consideration for acquiring SkipTheDishes in December 2016.

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:

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	£m	£m	Audited
			£m
Profit attributable to the holders of Ordinary shares in the Parent	37.3	24.7	71.7
Long-term employee incentive costs	3.3	1.7	3.1
Exceptional items	4.3	5.9	14.6
Net other losses/(gains)	0.7	0.7	(18.8)
Net foreign exchange losses/(gains)	0.2	(0.2)	0.2
Amortisation in respect of acquired intangible assets (including associates)	9.7	7.3	15.8
Tax impact of the adjusting items	(2.8)	(2.4)	(5.0)
Adjusted profit attributable to the holders of the Ordinary shares in the Parent	52.7	37.7	81.6

	Number of shares ('000)		
	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
			Audited
Weighted average number of Ordinary shares for basic earnings per share	676,238	673,625	669,462
<i>Effect of dilution</i>			
Share options and awards	6,400	5,095	6,420
Unvested JSOP	1,337	7,354	3,547
Shares held in escrow	1,047	-	48
Weighted average number of Ordinary shares adjusted for the effect of dilution	685,022	686,074	679,477

	Period ended 30 June		Year ended
	2017	2016	31 December
	Unaudited	Unaudited	2016
	Pence	Pence	Audited
			Pence
Earnings per Ordinary Share			
Basic	5.5	3.7	10.7
Diluted	5.4	3.6	10.5
Adjusted earnings per Ordinary Share			
Basic	7.8	5.6	12.2
Diluted	7.7	5.5	12.0

9. Goodwill

	Total £m
Carrying amount as at 1 January 2016	457.1
Recognised on acquisition of subsidiaries	88.7
Foreign exchange movement	66.4
As at 30 June 2016	612.2
Recognised on acquisition of subsidiaries	92.5
Foreign exchange movement	20.5
As at 31 December 2016	725.2
Adjustment to SkipTheDishes provisional acquisition accounting	1.3
Foreign exchange movement	9.6
As at 30 June 2017	736.1

Adjustment to SkipTheDishes provisional acquisition accounting

Note 31 to the Group's financial statements for the year ended 31 December 2016 included the following statement: "Due to the limited amount of time since the acquisition of SkipTheDishes, on 14 December 2016, the acquisition accounting is provisional. This includes the valuation of the acquired intangible assets as some of the inputs to the valuation models were based on estimates."

As at 30 June 2017, the acquisition accounting has been adjusted to reflect updated inputs to the acquired intangible asset valuation models. These valuations remain provisional and will be finalised in the 31 December 2017 Annual Report, when all estimates have been confirmed.

Goodwill in respect of other previous acquisitions

Note 13 to the Group's financial statements for the year ended 31 December 2016 included the following statement: "With the exception of the Australian & New Zealand and Mexican cash generating units, no reasonably expected change in the key assumptions used in the value-in-use calculations would give rise to an impairment charge". Whilst the Group's annual impairment review will not be undertaken until later in the year, the Directors continue to believe that reasonable changes in the key assumptions used in the value in use calculations for the Australian & New Zealand and the Mexican CGU could give rise to impairment charges.

10. Net cash inflow from operating activities

	Period ended 30 June		Year ended
	2017 Unaudited £m	2016 Unaudited £m	31 December 2016 Audited £m
Operating profit for the period	50.4	34.4	72.5
<i>Adjustments for:</i>			
Share of results of associates	(0.5)	0.2	0.1
Depreciation of property, plant and equipment	3.3	3.0	6.2
Amortisation of intangible assets	11.7	8.4	18.1
Loss on disposal of property, plant and equipment	0.5	-	0.5
Increase in provisions	0.1	-	6.1
Non-cash long-term employee incentive costs	3.3	1.7	3.0
Other non-cash items	0.1	0.7	-
Operating cash flows before movements in working capital	68.9	48.4	106.5
(Increase)/decrease in inventories	(0.5)	0.1	(0.5)
(Increase)/decrease in receivables	(1.7)	(0.6)	3.0
Increase in payables	1.7	2.8	1.9
Decrease in deferred income	(0.3)	(0.3)	(0.1)
Cash generated by operations	68.1	50.4	110.8
Income taxes paid	(9.5)	(2.0)	(12.7)
Interest paid	-	(0.3)	(0.4)
Facility fees paid	(0.3)	(0.3)	(0.7)
Net cash inflow from operating activities	58.3	47.8	97.0

11. Financial instruments

The Group measures financial instruments subsequent to initial recognition at fair value for forward exchange contracts (level 2) and available-for-sale investments (level 3). There have been no transfers between levels 2 and 3 in the current or prior periods.

a) Available-for-sale investments

At 30 June 2017, the Group held £4.1 million of available-for sale investments (period ended 30 June 2016: £0.3 million; year ended 31 December 2016: £4.1 million). The level 3 measurement techniques and inputs applied in fair valuing these investments included a comparison to valuations used by other similar companies that have recently raised capital.

At 30 June 2017, there were no fair value adjustments to be taken to the income statement (period ended 30 June 2016: £0.1 million loss; year ended 31 December 2016: £0.5 million gain).

b) Other financial liabilities

The Group entered into eleven forward contracts to purchase US\$17.6 million which will be used to hedge highly probable forecasted US\$ denominated operating costs. The Group designated US\$15.7 million of the foreign exchange forward contracts as cash flow hedges and at 30 June 2017 has recognised the following:

- the aggregate amount of the loss of the matured US\$9.5 million foreign exchange forward contracts was recognised in the income statement in the same line as the hedged item and totalled less than £0.1 million; and
- a financial liability of £0.1 million has been recognised to reflect the fair value of the US\$8.0 million foreign exchange forward contracts that had yet to mature. This balance is currently held in other comprehensive income and will be released to the income statement when the contracts mature. All but US\$1.3 million of these forward contracts will mature by 31 December 2017.

The Group entered into a separate forward contract to purchase €6.0 million. The Group has not hedge accounted this derivative and a fair value gain of less than £0.1 million has been recognised in the income statement. This forward contract will mature before 31 December 2017.

The fair value of these level 2 forward contracts is obtained from the external provider, who takes into account the underlying rates, tradability and contract maturity.

12. Provisions for liabilities

Contingent consideration in respect of the SkipTheDishes acquisition

At 31 December 2016, non-current provisions for liabilities included £40.8 million relating to SkipTheDishes contingent consideration. At 30 June 2017, £20.4 million has been reclassified from non-current to current provisions for liabilities as this component of the consideration is payable in April 2018.

The consideration is a level 3 measurement recorded at fair value, which is the present value of the expected cash outflows of the obligation. It has been assumed that the business will perform in-line with its current business plans. The discount rate applied to the obligation was 1.73%.

13. Other long-term liabilities

Consideration in respect of buy-out of minority shareholder

On 2 May 2017, the Group acquired a further 1.7% stake in its associated undertaking IF-JE (iFood). The consideration payable of £15.4 million does not contain any contingent elements and is payable in instalments over the period to June 2019. The cash outflow during the period ended 30 June 2017 was £2.0 million, with £4.0 million included within trade and other payables and £9.4 million included within other long-term liabilities. This has resulted in the Group's share in IF-JE increasing to 32.1%.

The consideration is a level 2 measurement recorded at fair value, which is the present value of the contracted cash outflows of the obligation. The discount rate applied to the obligation was 1.17%.

14. 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:

Long-term incentives

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 to Estera Trust (Jersey) Limited (Formerly 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.

On 30 June 2017, the amount due from key management personnel in respect of these loans was £0.1 million (period ended 30 June 2016: £1.7 million; year ended 31 December 2016: £1.1 million).

Amounts recognised as long-term incentive costs during the period in respect of key management personnel were £0.9 million (period ended 30 June 2016: £0.6 million; year ended 31 December 2016: £1.1 million).

IF-JE (iFood)

As part of the July 2016 sale of 49% of the shares held in the Group's Mexican operation to IF-JE, the Group have contracted IF-JE to provide management services to the value of £1.8 million to the Group's operations in Mexico. During the period, these services amounted to £0.4 million (year ended 31 December 2016: £0.4 million) with a total of £0.8 million accrued at 30 June 2017 (year ended 31 December 2016: £0.4 million).

15. Post balance sheet events

On 6 July 2017, the Group announced that following a thorough process it has appointed Peter Plumb as Chief Executive Officer and Executive Director with effect from 18 September 2017. Peter will replace Paul Harrison who is fulfilling that role on an interim basis and who will then continue in his permanent role as Chief Financial Officer.

Independent review report to Just Eat plc

We have been engaged by the Company to review the condensed set of financial statements in the Half Year financial report for the period ended 30 June 2017 which comprises the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes 1 to 15. We have read the other information contained in the Half Year 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 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. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Half Year 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 Half Year 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 inquiries, 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 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 Half Year financial report for the period ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Statutory Auditor
Reading, United Kingdom
26 July 2017

Officers and registered office

Directors

A. Griffith (Interim Chairman)
P. Harrison (Interim Chief Executive Officer and Chief Financial Officer)
G. Burr
D. Buttress
F. Coorevits
A. Cox (appointed 2 May 2017)
R. Donnelly
D. Oliva

Secretary

T. Hunter

Company registration number

06947854

Registered office

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