17 November 2015

B&M European Value Retail S.A.

Interim Results Announcement

Strong Growth Driven by Accelerated New Store Programme

B&M European Value Retail S.A. ("the Group"), the UK's leading multi-price value retailer, today announces its interim results for the 26 weeks to 26 September 2015.

HIGHLIGHTS

● Group revenues have increased by 25.8% to £930.3m, +26.8% at constant currency

● 47 net new stores opened in the UK in the period, on track for 80 net new openings this financial year

● German business, Jawoll, opened 2 new stores in the period, with 3 more openings before Christmas

● UK Like-for-Like revenues +1.2%

● Group adjusted EBITDA increased by 18.6% to £86.6m

● Group adjusted Profit before Tax increased by 25.4% to £66.4m

● *2* new additional distribution centres opened in the UK by the end of September 2015 totalling 800,000 sq ft

● Interim dividend increased by 77.8% to 1.6p per share (FY15: interim dividend 0.9p) to be paid on 15 January 2016

Sir Terry Leahy, Chairman, said,

"B&M has made good progress in the first half of the financial year towards its strategic goals of reaching at least 850 UK stores and creating a platform for longer term growth in Germany, whilst delivering further pleasing growth in sales, profits and cash generation. We are well prepared for the rest of the year and beyond."

Simon Arora, Chief Executive, said,

"Our unique retail model continues to deliver strong revenue growth as we extend our geographic footprint. In the UK, our teams have opened 47 new stores in just 26 weeks – a record rate of openings for B&M. The business is growing at an annualised rate of over £400m per year, which brings its own operational challenges. However, the investment made in our supply chain infrastructure and in other core functions will support the next stage of our expansion. Our colleagues have worked incredibly hard over the period and I am very proud of their continued achievements."

Financial Results (unaudited)

	H1 FY 2016[1]	H1 FY 2015[1]	Change	Like-for-Like %
Total Group Revenues	£930.3m	£739.8m	+25.8%	-
B&M	£861.7m	£681.0m	+26.5%	+1.2%
Jawoll	£68.6m	£58.8m	+16.6%	-
Total Group Revenues at constant currency	-	-	+26.8%	-
Number of Stores				
Group	524	442	+18.6%	-
UK	472	393	+20.1%	-
Adjusted EBITDA[2]	£86.6m	£73.0m	+18.6%	-
B&M	£79.1m	£66.0m	+19.8%	-
Jawoll	£7.5m	£7.0m	+7.1%	-
Adjusted EBITDA Margin %	9.3%	9.9%	-55bps	-
EBITDA	£87.3m	£49.0m	+78.3%	-
Adjusted Profit Before Tax[2]	£66.4m	£53.0m	+25.4%	-
Profit Before Tax	£66.7m	-£16.5m	-	-
Adjusted Diluted EPS	5.2p	4.0p	+30.0%	-
Diluted EPS	5.2p	-2.1p	-	-
Dividends	1.6p	0.9p	+77.8%	-

[1] The H1 FY 2016 figures represent the 26 week performance to 26 September 2015 and the H1 FY2015 figures represent the 26 week performance to 27 September 2014.
[2] Adjusted items are those that the Directors consider to be exceptional and non-trading items. The Directors consider the adjusted figures to be more reflective of the underlying business performance of the Group and believe that this measure provides additional useful information for investors on the Group's performance, as well as being consistent with how business performance is monitored internally. Further details can be found in notes 3 and 4.

Analyst Meeting & Webcast

An Analyst Meeting in relation to the Interim Results will be held on Tuesday 17 November at 08:30 am (UK) by invitation only at:

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

The meeting can be accessed live via a dial-in facility on:

UK & International: +44 (0) 330 606 8318

Pin number: 705 586 0716

A simultaneous audio webcast and presentation slides will be available via the B&M corporate website at www.bandmretail.com

Enquiries

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This announcement contains statements which are or may be deemed to be 'forward-looking statements'. Forward-looking statements involve risks and uncertainties because they relate to events and depend on events or circumstances that may or may not occur in the future. All forward-looking statements in this announcement reflect the Company's present view with respect to future events as at the date of this announcement. Forward-looking statements are not guarantees of future performance and actual results in future periods may and often do differ materially from those expressed in forward-looking statements. Except where required by law or the Listing Rules of the UK Listing Authority, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect any events or circumstances arising after the date of this announcement.

Notes to editors

B&M European Value Retail S.A. is a variety retailer with 479 stores in the UK operating under the "B&M" brand and 54 stores in Germany primarily operating under the "Jawoll" brand as at 31 October 2015. It was admitted to the FTSE 250 index in June 2015.

The B&M Group was founded in 1978 and listed on the London Stock Exchange in June 2014. For more information please visit www.bmstores.co.uk

OVERVIEW

During the first half of the financial year B&M has made further strong progress in implementing its strategy for growth whilst continuing to deliver pleasing improvements in sales, profit and cash generation.

We have made substantial progress in three key areas:

- accelerating our UK store opening programme, which has more than doubled compared to the same period last year, benefiting from particularly favourable conditions currently in the retail property market;

- commencement of new store expansion in our German business, Jawoll, with successful trials of the new store format; and

- substantial investment made in supply chain infrastructure and in other central functions in both the UK and in Germany to support the next stage of our expansion.

New store openings represent a significant majority of the Group's revenue and earnings growth and we opened 47 net new stores in the UK during the first half of this financial year, being a record pace of opening, bringing the total UK stores to 472. This compares with 20 net new openings in the first half of the last financial year and puts us on track to deliver 80 net new stores during the current financial year. The pipeline for next year, for which we have previously guided expectations to around 50 net new stores, is already looking strong.

The current supply of new store opportunities is plentiful, widely spread in terms of geography, averages larger unit sizes than has been the case in recent years, and importantly, it also offers the prospect of continuing attractive returns on investment. The current retail property market conditions are due to portfolio downsizing by some traditional national retailers and also an improved retail property development pipeline.

The strength of our unique model, both with customers and financially, and the scope B&M has for expanding the store network across the UK puts us in a strong position to benefit from these conditions and this is the reason why we have chosen this year to accelerate our new store programme. Our ambition is to have at least 850 stores in the UK and we remain on track to achieve this. As anticipated our expansion in some existing areas has had a deliberate effect on the LFL estate, but the returns on investment from those stores and in new regions remain favourable and the opportunity for B&M continues to be significant. We are pleased with the performance of the stores we have opened during the first half of this financial year.

We are pleased with early progress with Jawoll, our German business, as we apply key elements of the B&M model to its supply chain and format, as it prepares for a faster rate of new store openings in a large market which is under-served by general merchandise discount retailers. Integration with B&M's sourcing model has continued to increase across the Jawoll categories. Jawoll's trial new format stores, which are closer to the B&M format in terms of size and assortment, have performed in line with our expectations and this has encouraged us to roll out more new store openings. We opened two new stores in the first half and a further three are planned during the second half of this financial year, then taking the total number to 55.

We continue to invest by planning ahead to support our future growth plans. During the first half of this financial year we brought substantial new supply chain capacity on stream with our new distribution centres in Runcorn, which opened in June, and Middlewich, which was commissioned in September. They have added 800,000 square feet of UK warehouse space. Our new extension to the Jawoll warehouse of circa 46,000 square feet is on schedule to be completed by April 2016, enabling the business to expand more rapidly in the future.

With this pace of growth and investment, it is pleasing to be able to report results which again demonstrate the strength and potential of the B&M model. Despite making substantial capital and revenue investment in our rate of expansion and in infrastructure to support future growth, sales, profit and cash generation have all made good progress. Store investment returns also remain very positive.

The accelerated scale of growth and investment has had some challenging short-term consequences operationally. Our UK new store programme has been larger in recent months than we had originally planned for, and, given the introduction of the two large new distribution centres during the period, we have experienced below-normal service levels to stores as we approach peak trading. This will have a short-term impact on overheads and in-store product availability.

Our teams have performed brilliantly during this period of record growth, not just in delivering many more new stores and commissioning additional new distribution centres, but also in continuing to sharpen our competitiveness, improve our ranges and serve our customers well. I wish to thank them for their continued hard work and dedication.

Financial Performance

Group revenues for the 26 weeks ended 26 September 2015 grew by 25.8% to £930.3m and by 26.8% on a constant currency basis. In the UK revenues grew by 26.5% to £861.7m, (FY2015 H1: £681.0m) largely driven by the successful execution of our new store opening program, with a net 47 new stores opened in the first half of the year and the annualisation of the net 52 new stores opened in FY2015. Like-for-Like revenues were +1.2% against a broadly flat market and price deflation in some core grocery categories. Like-for-Like revenues at the end of the half year, in the absence of cannibalisation, would have been +2.5%.

Our gross margin percentage declined by 20 basis points to 34.5%. The UK and German businesses were impacted by unfavourable US dollar rates against Sterling and the Euro respectively, although this was mitigated in part by a favourable sales mix.

Costs continue to be carefully controlled across the Group; operating costs excluding depreciation increased to £234.0m, an increase of 27.5% versus last year, largely due to the increases in store numbers, although there has been phased increases in central costs to support the store growth and the additional costs incurred on the opening of the additional warehousing capacity.

The Adjusted EBITDA for the period was £86.6m, an increase of 18.6% with the UK business growing by 19.8% whilst the growth in Germany was 7.1%, in part as a result of the translational impact of the Euro/Sterling rate, with the underlying business performing in line with management expectations.

The Group’s adjusted EBITDA margin percentage was 55bps lower than last year, impacted by the weaker gross margin and the infrastructure investments made during the period.

Finance costs were £11.1m, which compares to £58.2m in FY2015, largely reflecting the change in the capital structure of the business following the IPO in June 2014.

The capex investment made in the store opening programme and in the additional warehouse capacity has resulted in a significant increase in capital expenditure to £32.1m compared to £12.4m in FY2015. The increased number of store openings has also resulted in an increase in the working capital outflow of £12.6m compared with the same period last year. Despite these investments though the Group has continued to reduce leverage with net debt to adjusted EBITDA reduced from 2.8 times at the end of September 2014 to 2.2 times at the end of September 2015, reflecting the speed of new store paybacks.

In the coming months, the Group will consider the most appropriate and efficient capital structure in the context of its growth strategy and cash generation profile.

Dividend

In line with the upper end of our dividend policy of paying 30-40% of normalised earnings, an interim dividend of 1.6p (gross) per Ordinary Share will be paid on 15 January 2016 to shareholders on the register at 4 December 2015, being an increase of 77.8% to the interim dividend paid at the half year in FY15. The dividend payment will be subject to a Luxembourg withholding tax of 15%.

Shareholders and Depository Interest holders can obtain further information on the methods of receiving their dividends on our website www.bandmretail.com or by visiting the website of our Registrar, Capita Asset Services at www.capitashareportal.com

Strategic Development

Our Group Strategy remains consistent with that set out in our 2015 annual report.

1. Expand our geographic coverage in the UK

   B&M still remains a largely regional retailer. We believe the UK has the potential for at least 850 stores. At the end of the half year we had 472 stores, having opened 47 net new stores in the 26 week period, a record number of openings. We remain on track to open 80 net new stores in the financial year. The new store openings have been across all parts of the UK, including regions where we had limited or no presence to date. The offer continues to be well received by customers in these new markets and store payback periods remain attractive. The UK retail property market conditions remain favourable to support our new store opening programme with traditional national retailers continuing to "rightsize" their estates, lease expiries presenting opportunities and also the increased importance of new build developments. The new store pipeline remains strong.

2. Deliver exceptional value to our shoppers

   We continue to offer our customers excellent value for money across a range of grocery and general merchandise products and our buying teams continue to enhance our product ranges to ensure that we are selling what the customer wants to buy. We place great emphasis on direct sourcing from the manufacturer wherever possible.

3. Develop our International business

   We wish to replicate our variety retailing model in appropriate markets outside of the UK. We believe that a significant opportunity exists for growth through a disciplined approach to European expansion.

   We continue to make progress within our German business, Jawoll, and we will have opened 6 further stores this calendar year across a variety of store sizes and locations, increasing the number of stores to 55. The customer reaction to these stores has been positive.

   Progress has been made with the introduction of further products from our Far East supply chain including ranges of toys and Christmas decorations.

   Investments are being made in people including both the strengthening of the buying teams and the new store acquisition teams, alongside investment in the physical infrastructure. The €4.5m warehouse expansion is due to be completed by April 2016, ahead of further new store openings.

4. Investment in Infrastructure and People

   The Group recognises the need to continue to invest in its physical infrastructure to support its growth plans. In the first half of the financial year we successfully commissioned two new distribution facilities, introducing another 800,000 square feet of warehousing capacity.

   The rate of store growth and new warehousing capacity has required us to continue to invest in operational management and personnel across a range of functions to ensure that we continue to deliver growth.

Principal Risks and Uncertainties

There are a number of risks and uncertainties which could have a material negative impact on the Group's performance over the remainder of the current financial year. These could cause our actual results to materially differ from historical or expected results. The Board does not believe that these risks and uncertainties are materially different to those published in the annual report for the year ended 28 March 2015.

These risks comprise high levels of competition, the broader economic environment and market conditions, disruption to key IT systems and business continuity, failure to comply with laws and regulations, credit risk and liquidity, fluctuations in commodity prices, disruption in supply chain, failure of stock management controls, failure to maintain and invest in key infrastructure, key management reliance, availability of suitable new stores, inherent risks in international expansion and ineffective implementation of warehouse management system.

Detailed explanations of these risks are set out on pages 18 and 19 of the Annual Report 2015 which is available at www.bandmretail.com

Outlook

We are pleased with the quality and the performance of the new stores we are opening, including in regions where we had no previous presence. Retail property market conditions in the UK continue to be favourable and we remain confident of achieving our target of opening 80 stores in the current year, as well as continuing to build a strong forward pipeline. Our new stores are demonstrating the strength of our appeal across a wide range of catchment types and are enhancing B&M's brand recognition in the UK as we widen our geographic coverage.

The two new UK distribution centres are now operational and provide capacity to support further growth. Their introduction, allied to the greater than budgeted store opening level, has brought some short term operational challenges and hence an effect on Like-for-Like sales performance in the build up to our peak trading period, but the overall earnings growth and return on investment remains strong. The unusually mild temperatures have led to a slow start for cold weather and seasonal ranges but we are well prepared for Christmas trading. We are confident both in the full year outlook and in the longer term potential for our unique retail model as we continue the roll out of our store estates in the UK and Germany.

Simon Arora
Chief Executive
17 November 2015

Unaudited Consolidated statement of Comprehensive Income

Period ended	Note	**Unaudited 26 weeks ended 26 September 2015 £'000**	Unaudited 26 weeks ended 27 September 2014 £'000	Audited 52 weeks ended 28 March 2015 £'000
Revenue	2	**930,319**	739,762	1,646,824
Cost of sales		**(609,746)**	(483,345)	(1,076,916)
Gross profit		**320,573**	256,417	569,908
Transaction / IPO fees included in administrative expenses		**-**	(21,180)	(20,536)
New store pre-opening costs included in administrative expenses		**(4,497)**	(1,981)	(5,272)
Other administrative expenses		**(238,227)**	(191,615)	(411,241)
Total administrative expenses		**(242,724)**	(214,776)	(437,049)
Operating Profit		**77,849**	41,641	132,859
Share of profits of investments in associates		**-**	115	1,632
Profit on ordinary activities before interest and tax		**77,849**	41,756	134,491
Finance costs		**(11,342)**	(58,225)	(72,875)
Finance income		**227**	14	99
Profit/(loss) on ordinary activities before tax		**66,734**	(16,455)	61,715
Income tax expense		**(13,948)**	(3,490)	(21,852)
Profit/(loss) for the period		**52,786**	(19,945)	39,863
Attributable to non-controlling interests		**823**	787	1,223
Attributable to owners of the parent		**51,963**	(20,732)	38,640
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on retranslation of subsidiary and associate accounts		**981**	160	(4,236)
Actuarial loss on the defined benefit pension scheme		**-**	-	(35)
Tax effect of other comprehensive income		**-**	-	11
Total comprehensive income/(loss) for the period		**53,767**	(19,785)	35,603
Attributable to non-controlling interests		**823**	787	1,218
Attributable to owners of the parent		**52,944**	(20,572)	34,385
Earnings/(loss) per share				
Basic earnings/(loss) attributable to ordinary equity holders (pence)	5	**5.2**	(2.1)	3.9
Diluted earnings/(loss) attributable to ordinary equity holders (pence)	5	**5.2**	(2.1)	3.9

All operations are classified as continuing and new acquisitions as disclosed above. The accompanying accounting policies and notes form an integral part of these financial statements.

Unaudited Consolidated statement of Financial Position

	Note	**26 September 2015 £'000**	27 September 2014 £'000	28 March 2015 £'000
Assets				
Non-current				
Goodwill	7	**835,637**	836,941	835,258
Intangible assets	7	**100,524**	100,276	99,695
Property, plant and equipment	8	**123,887**	90,349	101,823
Other non-current financial assets		**-**	1,626	-
Investments accounted for using the equity method		**3,822**	2,208	3,822
Deferred tax asset		**194**	233	354
		1,064,064	1,031,633	1,040,952
Current assets				
Cash and cash equivalents		**32,819**	15,412	64,943
Inventories		**302,904**	219,345	238,922
Trade and other receivables		**66,387**	56,910	64,845
Other current financial assets		**6,527**	1,804	1,145
Income tax receivable		**160**	289	-
		408,797	293,760	369,855
Total assets		**1,472,861**	1,325,393	1,410,807
Equity				
Share capital	9	**(100,000)**	(100,000)	(100,000)
Share premium		**(2,577,668)**	(2,600,000)	(2,600,000)
Merger reserve		**1,979,131**	1,979,131	1,979,131
Retained (earnings)/loss		**(59,187)**	40,096	(10,392)
Legal Reserve		**(614)**	-	-
Put/call option reserve		**13,855**	13,855	13,855
Foreign exchange reserve		**3,251**	(164)	4,232
Non-controlling interest		**(11,478)**	(10,315)	(10,655)
		(752,710)	(677,397)	(723,829)
Non-current liabilities				
Interest-bearing loans and borrowings	10	**(434,450)**	(433,289)	(433,758)
Finance lease liabilities		**(4,507)**	(5,816)	(4,918)
Other liabilities		**(56,285)**	(41,471)	(52,381)
Other financial liabilities		**(14,924)**	(13,141)	(14,219)
Deferred tax liabilities		**(22,280)**	(20,543)	(21,199)
Provisions		**(1,303)**	(2,636)	(1,430)
		(533,749)	(516,896)	(527,905)
Current liabilities				
Trade and other payables		**(167,375)**	(121,120)	(143,595)
Finance lease liabilities		**(961)**	(1,142)	(1,066)
Other financial liabilities		**(411)**	-	(642)
Income tax payable		**(11,747)**	(2,147)	(7,940)
Provisions		**(5,908)**	(6,691)	(5,830)
		(186,402)	(131,100)	(159,073)
Total liabilities		**(720,151)**	(647,996)	(686,978)
Total equity and liabilities		**(1,472,861)**	(1,325,393)	(1,410,807)

The accompanying accounting policies and notes form an integral part of this financial information. The condensed financial statements were approved by the Board of Directors and authorised for issue on 13 November 2015 and signed on their behalf by:

S. Arora, Director.

Unaudited Consolidated statement of Changes in Shareholders’ Equity

	Share capital £'000	Share premium £’000	Retained earnings £'000	Legal reserve £’000	Merger reserve £’000	Foreign exch. reserve £'000	Put/ call option reserve £’000	Non-co ntrol-ling interest £’000	Total share-holders’ equity £'000
Balance at 29 March 2014	97,222	2,527,778	(19,415)	-	(2,625,000)	**4**	-	-	(19,411)
Reserve balances recognised on acquisition	-	-	-	-	-	-	(13,855)	9,568	(4,287)
Effect of Group reconstruction	-	-	-	-	645,869	-	-	-	645,869
Effect of raising equity during IPO exercise	2,778	72,222	-	-	-	-	-	-	75,000
Dividend payment to non-controlling interest	-	-	-	-	-	-	-	(40)	(40)
Effect of Share options	-	-	51	-	-	-	-	-	51
Total for transactions with owners	2,778	72,222	51	-	645,869	-	-	(40)	720,880
Loss for the period	-	-	(20,732)	-	-	-	-	787	(19,945)
Other comprehensive income									
Exchange differences on retranslation of subsidiary	-	-	-	-	-	160	-	-	160
Total comprehensive loss for the period	-	-	(20,732)	-	-	160	-	787	(19,785)
Balance at 27 September 2014	100,000	2,600,000	(40,096)	-	(1,979,131)	164	(13,855)	10,315	677,397
Final purchase price exercise adjustments	-	-	-	-	-	-	-	(53)	(53)
Dividend payment to owners	-	-	(9,000)	-	-	-	-	-	(9,000)
Dividend payment to non-controlling interest	-	-	-	-	-	-	-	(38)	(38)
Effect of share options	-	-	135	-	-	-	-	-	135
Total for transactions with owners	-	-	(8,865)	-	-	-	-	(38)	(8,903)
Profit for the period	-	-	59,372	-	-	-	-	436	59,808
Other comprehensive income									
Exchange differences on retranslation of subsidiaries and associates	-	-	-	-	-	(4,396)	-	-	(4,396)
Other items and tax effect	-	-	(19)	-	-	-	-	(5)	(24)
Total comprehensive income for the period	-	-	59,353	-	-	(4,396)	-	431	55,388
Balance at 28 March 2015	100,000	2,600,000	10,392	-	(1,979,131)	(4,232)	(13,855)	10,655	723,829
Allocation to Legal Reserve	**-**	**-**	**(614)**	**614**	**-**	**-**	**-**	**-**	**-**
Dividend payment to owners	**-**	**(22,332)**	**(2,668)**	**-**	**-**	**-**	**-**	**-**	**(25,000)**
Effect of share options	**-**	**-**	**114**	**-**	**-**	**-**	**-**	**-**	**114**
Total for transactions with owners	**-**	**(22,332)**	**(2,554)**	**-**	**-**	**-**	**-**	**-**	**(24,886)**
Profit for the period	**-**	**-**	**51,963**	**-**	**-**	**-**	**-**	**823**	**52,786**
Other comprehensive income									
Exchange differences on retranslation of subsidiaries and associates	**-**	**-**	**-**	**-**	**-**	**981**	**-**	**-**	**981**
Total comprehensive income for the period	**-**	**-**	**51,963**	**-**	**-**	**981**	**-**	**823**	**53,767**
Balance at 26 September 2015	**100,000**	**2,577,668**	**59,187**	**614**	**(1,979,131)**	**(3,251)**	**(13,855)**	**11,478**	**752,710**

Unaudited Consolidated statement of Cash Flows

Period ended	Note	**Unaudited 26 weeks ended 26 September 2015 £'000**	Unaudited 26 weeks ended 27 September 2014 £'000	Audited 52 weeks ended 28 March 2015 £'000
Cash flows from operating activities				
Cash generated from operations	11	**44,126**	43,135	152,880
Fees associated with acquisitions and refinancing		**-**	(7,251)	(8,160)
Fees associated with the IPO and associated restructuring		**-**	(12,318)	(19,709)
Income tax paid		**(8,929)**	(2,116)	(13,726)
Net cash flows from operating activities		**35,197**	21,450	111,285
Cash flows from investing activities				
Purchase of property, plant and equipment		**(31,055)**	(12,514)	(35,667)
Purchase of intangible assets		**(1,145)**	(63)	(248)
Acquisition of subsidiaries net of cash received		**-**	(54,503)	(54,356)
Settlement of PLTA liability on the acquired balance sheet		**-**	(5,465)	(5,465)
Proceeds from the sale of property, plant and equipment		**94**	165	2,735
Interest received		**107**	14	99
Net cash flows from investing activities		**(31,999)**	(72,366)	(92,902)
Cash flows from financing activities				
Net (payment)/receipt of bank loans		**-**	(17,625)	(17,625)
Receipt from share issue		**-**	75,000	75,000
Interest paid		**(9,741)**	(15,366)	(25,534)
Dividends paid to non-controlling interest		**-**	(40)	(78)
Dividends paid to owners of the parent		**(25,000)**	-	(9,000)
Repayment of finance lease		**(581)**	(495)	(1,057)
Net cash flows from financing activities		**(35,322)**	41,474	21,706
Net increase/(decrease) in cash and cash equivalents		**(32,124)**	(9,442)	40,089
Cash and cash equivalents at the beginning of the period		**64,943**	24,854	24,854
Cash and cash equivalents at the end of the period		**32,819**	15,412	64,943
Cash and cash equivalents comprise:				
Cash at bank and in hand		**32,819**	15,412	64,943
		32,819	15,412	64,943

Notes to the financial information

1 General Information and Basis of Preparation

The results for the first half of the financial year have not been audited and are prepared on the basis of the accounting policies set out in the Group's last set of consolidated accounts released by the ultimate controlling party, B&M European Value Retail S.A., a company listed on the London Stock Exchange and incorporated in Luxembourg.

The financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (DTR) and with International Accounting Standard (IAS) 34 – "Interim Financial Reporting" as endorsed by the European Union.

The Group's trade is general retail, with trading taking place in the UK and Germany.

The principal accounting policies have remained unchanged from the prior financial information for B&M European Value Retail S.A. for the period to 28 March 2015.

Luxembourg companies are required to allocate a minimum of 5% of their annual net income to a Legal Reserve, until this reserve is equal to 10% of their subscribed capital. This reserve may not be distributed.

The financial statements for B&M European Value Retail S.A. for the period to 28 March 2015 have been reported on by the Group auditor and delivered to the Luxembourg Registrar of Companies. The audit report was unqualified.

The financial information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

This consolidated financial information does not constitute statutory financial statements.

Reconstruction, refinancing and listing of the Group

B&M European Value Retail S.A. (the "company") was incorporated on 19 May 2014 and acquired the entire issued share capital of the previous Group parent, B&M European Value Retail 1 S.à r.l. on 17 June 2014. On this same date the company was listed on the London Stock Exchange.

Full details of the reconstruction and subsequent listing can be found in the financial statements issued by the company for the period to 28 March 2015.

Basis of Consolidation

This Group financial information consolidates the financial information of the company and its subsidiary undertakings together with the Group's share of the net assets and results of associated undertakings for the period from 29 March 2015 to 26 September 2015. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. The results of companies acquired are included in the consolidated statement of comprehensive income from the acquisition date.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary, excluding the situations as outlined in the basis of preparation.

Going concern

The Group has in place significant financing facilities which are due for renewal in 2019 and 2020, and operations which are cash generative. The directors have considered this and the company's current forecasts, and determined that it is appropriate to continue to use the going concern basis for production of these financial statements.

Critical judgments and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

<u>Impairment of non-financial assets</u>
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the CGU being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, have been disclosed in the company's annual report.

<u>Investments in Associates</u>
Multi-lines International Company Ltd (Multi-lines), which is 50% owned by the Group, has been considered by management to be an associate rather than a subsidiary or a joint venture. Under IFRS 10 control is determined by:

- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

Although 50% owned, Multi-Lines have their own independent management who operate without direct oversight of Group management on a day to day basis. Therefore the level of power over the business is considered to be more in keeping with that of an associate than a joint-venture, and hence it has been treated as such within these consolidated accounts.

Intangible brand assets
Due to acquisitions in prior years the Group carries intangible brand assets with indefinite lives.

The indefinite life is considered to remain appropriate because of several factors, chief amongst which was that the growth potential of the B&M and Jawoll businesses, which are considered by management to be long-term phenomenon.

Put/call options on Jawoll non-controlling interest
The purchase agreement for Jawoll in April 2014 included call and put options over the shares not purchased by the Group, representing 20% of Jawoll. The options are arranged such that it is considered likely that either the call or put option will be taken at the exercise date in 2019.

The exercise price of the options contain a variable element and as such the risk and rewards of the options are considered to remain with the non-controlling interest. The purchase of the non-controlling interest will be recognised upon exercise of one of the options.

A financial liability has been recognised carried at amortised cost to represent the expected exercise price, with the corresponding debit entry to the put/call option reserve. Management have estimated the future measurement inputs in arriving at this value, using knowledge of current performance, expected growth and planned strategy. Any subsequent movements in the liability will be recognised in profit or loss.

Standards and interpretations not yet applied by the Group

New and amended standards and interpretations adopted by the Group;

- IFRIC 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37, "Provisions". The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The adoption of IFRIC 21 does not have a significant impact for the Group.

- Annual improvements 2011–2013. The amendments include changes from the 2011–13 cycle of the annual improvements project that affects four standards: IFRS 1, "First time adoption", IFRS 3 "Business combination", IFRS 13, "Fair value measurement" and IAS 40, "Investment property". The application of these amendments had no significant impact for the Group.

- Annual improvements 2010–2012. These amendments include changes from the 2010–12 cycle of the annual improvements project, that affect several standards: IFRS 2, "Share-based payment",

- IFRS 3, "Business Combinations", IFRS 8, "Operating segments", IFRS 13, "Fair value measurement", IAS 16, "Property, plant and equipment", IAS 38, "Intangible assets", IAS 37, "Provisions, contingent liabilities and contingent assets", and IAS 39, "Financial instruments – Recognition and measurement". The application of these amendments had no significant impact for the Group.

- IAS 19 revised, "Defined Benefit Plans: Employee Contributions" – effective for annual periods beginning on or after 1 July 2014. The application of this amendment had no impact for the Group.

Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group:

The following new standards and amendments have been published but are not effective for the Group's accounting period beginning on 1 April 2015. All these standards and amendments have not yet been endorsed by the European Union.

- "Disclosure Initiative (Amendments to IAS 1)" – effective from 1 January 2016 to encourage companies to apply professional judgement in determining the information to disclose in their financial statements36;

- Amendments to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets" on depreciation and amortisation – effective from 1 January 2016. IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, past the headline is a rebuttable presumption, and revenue-based amortisation is permitted when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;

- Amendment to IAS 27, "Separate financial statements", on equity method on separate financial statements – effective from 1 January 2016;

- Amendment to IFRS 10, "Consolidated financial statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28, "Associates and joint ventures" on sale or contribution of assets and on investment entities applying the consolidation exception – effective from 1 January 2016;

- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation – effective from 1 January 2016;

- Annual improvements 2012–2014 – effective from 1 January 2016

- IFRS 9, "Financial instruments" – effective from 1 January 2018. The IASB has published the complete version of IFRS 9 which replaces IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today and redefine the guidance regarding the hedge accounting;

- IFRS 14, "Regulatory deferral accounts" – effective from 1 January 2016;

- IFRS 15, "Revenue from contracts with customers" applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and introduces a five-step process that the Group will have to follow. The new Standard goes beyond just "commercial effect", "fair value" and "risk and rewards" and will also result in a significant increase in the volume of disclosures related to revenue. IFRS 15 will be applicable for reporting periods beginning on or after 1 January 2018.

2 Segmental information

IFRS 8 ("Operating segments") requires the Group's segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker to assess performance and allocate resources across each reporting segment.

For management purposes, the Group is organised into two reportable segments, being the UK retail segment and the German retail segment (since acquisition of Jawoll on April 30 2014).

The chief operating decision maker has been identified as the executive directors who monitor the operating results of the retail segments for the purpose of making decisions about resource allocation and performance assessment.

The Group's financing (including finance costs and finance income) and income taxes are managed on a group basis, though the standard rate of tax has been applied to the segmental results to aid comparison.

26 week period to 26 September 2015	**UK Retail £'000**	**Germany Retail £'000**	**Corporate £'000**	**Total £'000**
Revenue	**861,731**	**68,588**	**-**	**930,319**
Gross profit	**295,492**	**25,081**	**-**	**320,573**
EBITDA	**75,038**	**7,272**	**5,004**	**87,314**
Interest received	**107**	**-**	**120**	**227**
Interest expense	**(8)**	**(73)**	**(11,261)**	**(11,342)**
Income tax expense	**(13,399)**	**(1,764)**	**1,215**	**(13,948)**
Segment profit/(loss)	**53,597**	**3,545**	**(4,356)**	**52,786**
Total assets	**1,367,577**	**94,373**	**10,911**	**1,472,861**
Total liabilities	**(219,656)**	**(15,415)**	**(485,080)**	**(720,151)**
Other disclosures:				
Capital expenditure (including intangible)	**(30,271)**	**(1,914)**	**(15)**	**(32,200)**
Depreciation and Amortisation	**(8,141)**	**(1,321)**	**(3)**	**(9,465)**
Share of profit of associates	**-**	**-**	**-**	**-**
Investment in associates accounted for by the equity method	**-**	**-**	**3,822**	**3,822**

26 week period to 27 September 2014	UK Retail £'000	Germany Retail £'000	Corporate £'000	Total £'000
Revenue	680,952	58,810	-	739,762
Gross profit	234,232	22,185	-	256,417
EBITDA	68,235	6,984	(26,260)	48,959
Interest received	9	5	-	14
Interest expense	(88)	(84)	(58,053)	(58,225)
Income tax expense	(13,070)	(1,686)	11,266	(3,490)
Segment profit/(loss)	49,170	3,934	(73,049)	(19,945)
Total assets	1,221,262	95,632	8,499	1,325,393
Total liabilities	(150,790)	(18,759)	(478,447)	(647,996)
Other disclosures:				
Capital expenditure (including intangible)	(12,033)	(544)	-	(12,577)
Depreciation and Amortisation	(5,915)	(1,286)	(2)	(7,203)
Share of profit of associates	-	-	115	115
Investment in associates accounted for by the equity method	-	-	2,208	2,208

52 week period to 28 March 2015	UK Retail £'000	Germany Retail £'000	Corporate £'000	Total £'000
Revenue	1,526,181	120,643	-	1,646,824
Gross profit	525,497	44,411	-	569,908
EBITDA	163,166	10,659	(23,660)	150,165
Interest received	80	19	-	99
Interest expense	(112)	(181)	(72,582)	(72,875)
Income tax expense	(31,558)	(2,305)	12,011	(21,852)
Segment profit/(loss)	118,717	5,379	(84,233)	39,863
Total assets	1,312,280	92,981	5,546	1,410,807
Total liabilities	(187,665)	(19,763)	(479,550)	(686,978)
Other disclosures:				
Capital expenditure (including intangible)	(34,246)	(1,669)	-	(35,915)
Depreciation and Amortisation	(12,859)	(2,813)	(2)	(15,674)
Share of profit of associates	-	-	1,632	1,632
Investment in associates accounted for by the equity method	-	-	3,822	3,822

3 Reconciliation of EBITDA to the statement of comprehensive income

EBITDA and adjusted EBITDA are non-IFRS measures and therefore we provide a reconciliation to the statement of comprehensive income below.

The adjusting items that are used in the calculation of adjusted EBITDA have been specified in greater detail (as those items adjusting administrative costs) in note 4.

Period to	**26 weeks ended 26 September 2015 £'000**	26 weeks ended 27 September 2014 £'000	52 weeks ended 28 March 2015 £'000
Profit/(loss) for the period	**52,786**	(19,945)	39,863
Add back			
Tax expense	**13,948**	3,490	21,852
Finance costs	**11,342**	58,225	72,875
Finance income	**(227)**	(14)	(99)
Depreciation	**9,083**	6,766	14,847
Amortisation	**382**	437	827
EBITDA	**87,314**	48,959	150,165
Adjusting items (see note 4)	**(742)**	24,015	24,103
Adjusted EBITDA	**86,572**	72,974	174,268

Adjusted EBITDA and related measures are not a measurement of performance or liquidity under IFRS and should not be considered in isolation or as a substitute for measures of profit, or as an indicator of the Group's operating performance or cash flows from operating activities as determined in accordance with IFRS.

4 Adjusted profit and loss statement

Period to	**26 weeks ended 26 September 2015 £'000**	26 weeks ended 27 September 2014 £'000	52 weeks ended 28 March 2015 £'000
Revenue	**930,319**	739,762	1,646,824
Cost of Sales	**(609,746)**	(483,345)	(1,076,916)
Gross Profit	**320,573**	256,417	569,908
Administrative expenses	**(243,466)**	(190,761)	(412,946)
Add back depreciation and amortisation	**9,465**	7,203	15,674
Share of profits of investments in associates	**-**	115	1,632
Adjusted EBITDA	**86,572**	72,974	174,268
Depreciation and amortisation	**(9,465)**	(7,203)	(15,674)
Adjusted profit before interest and tax	**77,107**	65,771	158,594
Finance costs	**(10,773)**	(12,813)	(23,702)
Finance income	**107**	14	99
Adjusted profit before tax	**66,441**	52,972	134,991
Income tax expense	**(13,794)**	(12,037)	(30,916)
Adjusted profit and total comprehensive income	**52,647**	40,935	104,075
Attributable to non-controlling interests	**860**	783	1,241
Attributable to owners of the parent	**51,787**	40,152	102,834

The following table shows the detailed listing of adjusting items:

Period to	**26 weeks ended 26 September 2015 £'000**	26 weeks ended 27 September 2014 £'000	52 weeks ended 28 March 2015 £'000
Adjustments to administrative expenses			
Fees related to the IPO	**-**	(20,338)	(19,709)
Fees related to the acquisition of the German entities	**-**	(842)	(827)
Fair value adjustments to foreign exchange and fuel derivatives	**5,568**	3,253	2,270
Professional fees associated with the prior financing structure	**-**	(970)	(970)
New store pre-opening costs	**(4,497)**	(1,981)	(5,272)
Foreign exchange movements on intercompany balances	**(83)**	(3,460)	(2,840)
Property provision and compulsory purchase order income	**(132)**	(207)	3,148
Other items which management considered one off in nature	**(114)**	530	97
Total adjustments to administrative expenses	**742**	(24,015)	(24,103)
Adjustments to finance costs and income			
Interest on loans from owners	**-**	(16,170)	(16,170)
One off costs incurred on raising debt finance	**-**	(28,815)	(28,815)
Fair value adjustments on interest swap derivatives	**120**	(427)	(2,214)
Unwinding of the option held over the minority interest of Jawoll	**(569)**	-	(1,974)
Total adjustments to finance costs and income	**(449)**	(45,412)	(49,173)
Adjustments to income tax			
Adjustments relating to items adjusting administrative costs	**(130)**	609	557
Adjustments relating to items adjusting finance costs and income	**(24)**	7,938	8,507
Total adjustments to income tax	**(154)**	8,547	9,064
Other comprehensive income			
Differences relating to retranslation of Group entities	**981**	160	(4,236)
Change in the defined benefit pension liability	**-**	-	(35)
Tax adjustment relating to the pension liability	**-**	-	11
Total adjustments to other comprehensive income	**981**	160	(4,260)

Adjusting items are exceptional and non-trading items considered by the directors to not be incurred in the usual underlying running of the trade of the Group. The directors consider the adjusted figures to be a more accurate reflection of the underlying business performance of the Group and believe that this measure provides additional useful information for investors on the Group's performance, as well as being consistent with how business performance is monitored internally.

Adjusting items include expenses relating to new acquisitions, special projects and restructuring expenses (such as IPO, refinancing, maintaining ownership structures), pre-opening new store costs, provisions for onerous leases, regulatory investigations or fines, dilapidation provisions, compulsory purchase order income, foreign exchange gains/(losses), fair value gains/(losses) on derivatives, other comprehensive income items, unwinding interest on items not directly related to the trade of the business, impairment on non-financial assets, profit/(loss) on fixed assets disposal, the expired management LTIP bonus scheme, and the estimated tax effect of these items.

5 Earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing the net profit or loss for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at each period end.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during each year plus the weighted average number of ordinary shares that would be issued on conversion of any dilutive potential ordinary shares into ordinary shares. The employee share option scheme is considered to be dilutive.

Adjusted basic and diluted earnings/(loss) per share are calculated on the same basis except using the adjusted profit or loss attributable to the equity holders of the parent.

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

Period to	**26 September 2015 £'000**	27 September 2014 £'000	28 March 2015 £'000
Profit/(loss) for the period attributable to ordinary equity holders of the Group	**51,963**	(20,732)	38,640
Adjusted profit/(loss) for the period attributable to ordinary equity holders of the Group	**51,787**	40,152	102,834
	Thousands	Thousands	Thousands
Weighted average number of ordinary shares for basic loss per share	**1,000,000**	1,000,000	1,000,000
Effect of dilution:			
Employee share options	**479**	513	521
Weighted average number of ordinary shares adjusted for the effect of dilution	**1,000,479**	1,000,513	1,000,521
	Pence	Pence	Pence
Basic earnings/(loss) per share	**5.2**	(2.1)	3.9
Diluted earnings/(loss) per share	**5.2**	(2.1)	3.9
Adjusted basic earnings per share	**5.2**	4.0	10.3
Adjusted diluted earnings per share	**5.2**	4.0	10.3

6 Taxation

The taxation charge for the interim period has been calculated on the basis of the corporation tax rate for the full year of 20% (UK) and 30% (Germany) and then adjusted for allowances and non-deductibles in line with the prior year.

7 Intangible assets

	Goodwill £'000	Software £'000	Brands £'000	Other £'000	Total £'000
Cost or valuation					
At 29 March 2014	807,496	811	93,700	-	902,007
Acquired via purchase of Jawoll	31,043	357	4,548	1,775	37,723
Additions	-	63	-	-	63
Effect of retranslation	(1,598)	(18)	(235)	(91)	(1,943)
At 27 September 2014	836,941	1,213	98,013	1,683	937,850
Final Jawoll PPA adjustments	215	-	353	(353)	215
Additions	-	185	-	-	185
Effect of retranslation	(1,898)	(26)	(313)	(67)	(2,304)
At 28 March 2015	835,258	1,372	98,053	1,263	935,946
Additions	-	1,145	-	-	1,145
Effect of retranslation	379	4	59	17	459
At 26 September 2015	**835,637**	**2,521**	**98,112**	**1,280**	**937,550**
Accumulated amortisation / impairment					
At 29 March 2014	-	204	-	-	204
Charge for the period	-	199	-	238	437
Effect of retranslation	-	(2)	-	(6)	(8)
At 27 September 2014	-	402	-	231	633
Charge for the period	-	192	-	198	390
Effect of retranslation	-	(8)	-	(22)	(30)
At 28 March 2015	-	586	-	407	993
Charge for the period	-	211	-	171	382
Effect of retranslation	-	3	-	11	14
At 26 September 2015	**-**	**800**	**-**	**589**	**1,389**
Net book value at 26 September 2015	**835,637**	**1,721**	**98,112**	**691**	**936,161**
Net book value at 28 March 2015	835,258	786	98,053	856	934,953
Net book value at 27 September 2014	836,941	811	98,013	1,452	937,217

An impairment review was carried out over the Goodwill and Brand assets at 28 March 2015. Details of these reviews are included in the Group statutory accounts. A full review will also take place at the next year end date of 27 March 2016.

8 Property, plant and equipment

	Land and buildings £'000	Motor Vehicles £'000	Plant, fixtures and equipment £'000	Total £'000
Cost or valuation				
29 March 2014	9,537	2,288	62,383	74,208
Arising on acquisition of Jawoll	15,929	189	4,688	20,806
Additions	1,326	548	10,640	12,514
Disposals	-	(183)	-	(183)
Effect of retranslation	(838)	(10)	(244)	(1,092)
27 September 2014	25,954	2,832	77,467	106,253
Final Jawoll PPA Adjustment	149	-	-	149
Additions	4,267	371	18,515	23,153
Disposals	(2,157)	(298)	(395)	(2,850)
Effect of retranslation	(961)	(26)	(345)	(1,332)
Adjustment	(38)	344	203	509
28 March 2015	**27,214**	**3,223**	**95,445**	**125,882**
Additions	**3,367**	**237**	**27,451**	**31,055**
Disposals	**-**	**(329)**	**(51)**	**(380)**
Effect of retranslation	**219**	**5**	**100**	**324**
26 September 2015	**30,800**	**3,136**	**122,945**	**156,881**
Accumulated depreciation				
29 March 2014	2,055	407	6,750	9,212
Charge for the period	1,376	409	4,981	6,766
Disposals	-	(42)	-	(42)
Effect of retranslation	(15)	(2)	(15)	(32)
27 September 2014	3,416	772	11,716	15,904
Charge for the period	1,612	424	6,045	8,081
Disposals	(4)	(160)	(162)	(326)
Effect of retranslation	(54)	(3)	(54)	(111)
Adjustment	(38)	344	205	511
At 28 March 2015	**4,932**	**1,377**	**17,750**	**24,059**
Charge for the period	**1,636**	**358**	**7,089**	**9,083**
Disposals	**-**	**(170)**	**(35)**	**(205)**
Effect of retranslation	**28**	**1**	**28**	**57**
26 September 2015	**6,596**	**1,566**	**24,832**	**32,994**
Net book value at 26 September 2015	**24,204**	**1,570**	**98,113**	**123,887**
Net book value at 28 March 2015	22,282	1,846	77,696	101,823
Net book value at 27 September 2014	22,538	2,060	65,751	90,349

On the acquisition of the SBR Europe group on 6 March 2013, the fixed assets were restated such that their net book value equalled their cost. At 29 March 2014 an estimation technique was used to perform this task due to the number of assets on the fixed asset register. At 28 March 2015 the values have been calculated on an asset by asset basis leading to some adjustments between cost and depreciation as shown in the table above. This has no impact on net book value.

9 Share Capital

	26 September 2015	27 September 2014	28 March 2015
Allotted, called up and fully paid	**£'000**	£'000	£'000
B&M European Value Retail S.A.			
1,000,000,000 ordinary shares of 10p each	**100,000**	100,000	100,000

Ordinary Shares

Each ordinary share ranks pari passu with each other ordinary share and each share carries one vote. The Group parent is authorised to release up to a maximum of 2,972,222,222 ordinary shares.

10 Financial liabilities - borrowings

	26 September 2015 £'000	27 September 2014 £'000	28 March 2015 £'000
Current			
Term facility bank loans	**-**	-	-
	-	-	-
Non-current			
Term facility bank loans	**434,450**	433,289	433,758

All borrowings are held in Sterling. The term facility bank loans are held at amortised cost and were initially capitalised in June 2014 with £7.3m of fees attributed to them.

The maturities of the above loan facilities are as follows:

	Interest Rate %	Maturity	At 27 September 2015, 26 September 2014 and 28 March 2015 £'000
Non-Current			
UK Holdco term loan A	3.25% + LIBOR	2019	300,000
UK Holdco term loan B	3.75% + LIBOR	2020	140,000
			440,000

11 Reconciliation of loss before tax to cash generated from operations

	26 weeks ended 26 September 2015 £'000	26 weeks ended 27 September 2014 £'000	52 weeks ended 28 March 2015 £'000
Profit/(loss) before tax	**66,734**	(16,455)	61,715
Adjustments for:			
Interest expense	**11,115**	58,210	72,776
Depreciation	**9,083**	6,766	14,847
Amortisation of intangible assets	**382**	437	827
Transaction fees through administrative expenses	**-**	21,180	20,536
(Profit) / loss on disposal of property, plant and equipment	**82**	(25)	(70)
Loss on share options	**114**	51	186
Change in inventories	**(63,527)**	(17,457)	(39,192)
Change in trade and other receivables	**(1,550)**	(7,139)	(15,399)
Change in trade and other payables	**27,204**	(2,039)	40,845
Change in provisions	**(51)**	120	(1,863)
Share of profit from associates	**-**	(115)	(1,632)
Non-cash foreign exchange effect from retranslation of subsidiary cashflows	**109**	2,853	1,574
(Profit) / loss resulting from fair value of financial derivatives	**(5,569)**	(3,252)	(2,270)
Cash generated from operations	**44,126**	43,135	152,880

12 Fair Value

The fair value of the financial assets and liabilities of the group are not materially different from their carrying value. Refer to the table below.

As at	**28 March 2015**	27 September 2014	28 March 2015
Financial Assets	**£'000**	£'000	£'000
Fair value through profit and loss			
Interest rate swap	**-**	1,393	-
Fuel price swap	**127**	-	-
Forward foreign exchange contracts	**6,400**	1,804	1,145
Loans and receivables			
Cash and cash equivalents	**32,819**	15,412	64,943
Trade receivables	**42,538**	36,218	45,963
Other receivables	**1,821**	3,385	1,018
Financial Liabilities			
Fair value through profit and loss			
Fuel price swap	**137**	-	322
Interest rate swap	**274**	-	395
Put/call options over the non-controlling interest of Jawoll	**14,924**	13,141	14,144
Amortised cost			
Interest-bearing loans and borrowings	**434,450**	433,289	433,758
Trade payables	**134,068**	96,773	94,733

Financial Instruments at fair value through profit and loss

The put/call options over the non-controlling interest in Jawoll arose as part of the acquisition of the entity in April 2014. The valuation here reflects the final estimated valuation unwound to the period end date, and exchanged at the period end foreign exchange rate, as the options are priced in Euros. The options mature in 2019 and the carrying value has been discounted to present value.

The other financial assets and liabilities through profit or loss reflect the fair value of those foreign exchange forward contracts, interest rate swaps and fuel swaps that are not designated as hedge relationships but are nevertheless intended to reduce the level of risk for expected sales and purchases.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at the reporting dates, the Group held the following financial instruments carried at fair value on the balance sheet:

	Total £'000	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
26 September 2015				
Foreign exchange contracts		**-**	**6,400**	**-**
Interest rate swaps		**-**	**(274)**	**-**
Fuel swap contract (asset)		**-**	**127**	**-**
Fuel swap contract (liability)		**-**	**(137)**	**-**
Put/call options on Jawoll non-controlling interest		**-**	**-**	**(14,924)**

28 March 2015				
Foreign exchange contracts	1,145	-	1,145	-
Interest rate swaps	(395)	-	(395)	-
Fuel swap contract	(322)	-	(322)	-
Put/call options on Jawoll non-controlling interest	(14,144)	-	-	(14,144)
27 September 2014				
Foreign exchange contracts	1,804	-	1,804	-
Interest rate swaps	1,393	-	1,393	-
Put/call options on Jawoll non-controlling interest	(13,141)	-	-	(13,141)

The put/call option was valued with reference to the Sale and Purchase Agreement underpinning the acquisition, and the key variable in determining the fair value of the option, the forecast EBITDA of Jawoll as prepared by management.

The other instruments have been valued by the issuing bank, using a mark to market method. The bank has used various inputs to compute the valuations and these include inter alia the relevant maturity date and strike rates, the current exchange rate, fuel prices and LIBOR levels.

The Group's financial instruments are either carried at fair value or have a carrying value which is considered a reasonable approximation of fair value.

13 Related party transactions

There have been no changes in the related-party transactions described in the last annual report of B&M European Value Retail S.A. that have had a material effect on the financial position or performance of the Group in the six months ended 26 September 2015.

The Group has entered into material related party transactions over the current 26-week period with the following party, Multi-lines International Company Ltd (Multi-lines), a supplier, which is an associate of the Group.

The following table shows the effect of the transactions on the profit and loss. Prior period figures have been included to provide a comparative. Related party transactions with the prior owner (and current significant shareholder) Clayton, Dubilier & Rice, ceased in the prior year.

	26 weeks ended 26 September 2015 £'000	26 weeks ended 27 September 2014 £'000	52 weeks ended 28 March 2015 £'000
Purchases from owners of the business			
Clayton, Dubilier & Rice	**-**	17,634	17,608
Purchases from associates			
Multi-lines	**30,764**	18,141	67,216

The following table sets out the total amount of trading balances with Multi-lines outstanding at the period end. The debtor balance is a deposit on account and nets against a GRNI balance of £11.1m at 26 September 2015 (£17.9m at 27 September 2014, £2.9m at 28 March 2014).

	26 September 2015 £'000	27 September 2014 £'000	28 March 2015 £'000
Trade receivables from associates :			
Multi-lines	**28,047**	25,289	18,784

Outstanding trade balances at the balance sheet date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party trade receivables or payables.

14 Post balance sheet events

An interim dividend of 1.6pence per share (£16,000,000) has been proposed.

There have been no other material events between the balance sheet date and the date of issue of these accounts.

15 Directors

The directors that served throughout the period were:

<u>Name</u>
Sir T Leahy (Chairman)
S Arora (CEO)
P McDonald (CFO)
T Hübner
R McMillan
K Guion
H Brouwer
D Novak

Statement of Directors' Responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

(a) an indication of important events that have occurred during the first 26 weeks and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year; and

(b) material related-party transactions in the first 26 weeks and any material changes in the related-party transactions described in the last annual report of B&M European Value Retail S.A.

By order of the Board

Simon Arora	**Paul McDonald**
Chief Executive	Chief Financial Officer
17 November 2015	17 November 2015

Independent Review Report to B&M European Value Retail S.A.

Introduction

We have reviewed the accompanying interim financial information of B&M European Value Retail S.A. as at 26 September 2015, which comprises the condensed consolidated statement of financial position, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in shareholders' equity and a summary of significant accounting policies and other explanatory notes for the 26 week period then ended. The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard as adopted by the European Union and with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity",* as adopted for Luxembourg by the "*Institut des Réviseurs d'Entreprises".* 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 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 accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Luxembourg, 17 November 2015

Hugues WANGEN
Réviseur d'Entreprises Agréé
Grant Thornton Lux Audit S.A.