15 November 2016

B&M European Value Retail S.A.

Interim Results Announcement

Strong Growth in the UK and Germany

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 24 September 2016.

HIGHLIGHTS

- Group revenues increased by 18.9% to £1,105.9m, +17.7% at constant currency

- 20 net new UK store openings, including 500th store opened in April, on track to open at least 50 new stores this financial year

- German business, Jawoll, opened 10 net new stores in the period, on track to open 19 new stores this financial year

- UK like-for-like revenues[1] +0.2% if including the planned impact of nearby openings but +1.9% on an underlying basis[2]

- Group adjusted EBITDA increased by 14.6% to £99.2m (FY16: £86.6m); Group EBITDA increased by +9.6% to £95.7m (FY16: £87.3m)

- Group adjusted profit before tax increased by +17.2% to £77.9m (FY16: £66.4m)

- Adjusted diluted earnings per share 6.1p, up +17.3% (FY16: 5.2p) and diluted earnings per share 5.8p, up +11.5% (FY16: 5.2p)

- Cash flow from operations £77.7m (FY16: £44.1m), an increase of +76.0%

- £100m special dividend (10.0p per share) paid to shareholders in July 2016, in line with our capital structure policy

- Interim dividend increased by 18.8% to 1.9p per share (FY16: 1.6p per share) to be paid on 23 December 2016

Sir Terry Leahy, Chairman, said,

"With our strong value proposition, unique sourcing model, financial strength and well-invested store network and infrastructure, B&M is equipped to prosper in a challenging and uncertain retail environment. B&M has a proven strategy for growth with plenty of opportunity for high returning store expansion in our chosen markets, and we can fund that investment comfortably from our internal cash resources. These characteristics are rare in modern retailing."

Simon Arora, Chief Executive, said,

"B&M performed strongly in the first half of the financial year, serving customers well and delivering good growth in revenue, profit and cash flow. Naturally, we are mindful of the current economic uncertainties in the UK but given the strength of our retail model and with the full benefits now flowing from the step change investments we made last year in our store opening programme and new supply chain capacity, we are confident of meeting expectations during the remainder of this year. Everyone loves a bargain and when customers need to seek out value, our proposition comes into its own."

[1] Like-for-like revenues includes each store's revenue for that part of the current period that falls at least 14 months after it opened; and it is compared with its revenue for the corresponding part of the previous period. This 14 month approach has been taken as it excludes the two month halo period which new stores experience following opening.

[2] Underlying like-for-like revenues includes those stores which have traded for over 14 months but excludes stores that are within a three mile radius of a new B&M store opening for the first 12 months following the opening of that new store (i.e. cannibalisation effects). Three miles has been judged by management to be a conservative distance to use as the customer catchment area for a store.

Financial Results (unaudited)

	H1 FY 2017[3]	H1 FY 2016[3]	Change
Total Group Revenues	£1,105.9m	£930.3m	18.9%
B&M	£1,017.0m	£861.7m	18.0%
Jawoll	£88.9m	£68.6m	29.6%
Total Group Revenues at constant currency[4]	-	-	17.7%
Number of Stores			
Group	585	524	+11.6%
UK	519	472	+10.0%
Germany	66	52	+26.9%
Adjusted EBITDA[5]	£99.2m	£86.6m	+14.6%
B&M	£90.5m	£79.1m	+14.4%
Jawoll	£8.7m	£7.5m	+17.1%
Adjusted EBITDA Margin %	9.0%	9.3%	-33bps
Profit Before Tax	£73.7m[6]	£66.7m	+10.4%
Adjusted Profit Before Tax[5]	£77.9m	£66.4m	+17.2%
Adjusted Diluted EPS	6.1p	5.2p	+17.3%
Diluted EPS	5.8p	5.2p	+11.5%
Ordinary Dividends	1.9p	1.6p	18.8%

[3] The H1 FY 2017 figures represent the 26 week performance to 24 September 2016 and the H1 FY2016 figures represent the 26 week performance to 26 September 2015.

[4] Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as used to translate the current year Euro revenues.

[5] Adjusted items are those which 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 to the financial information.

[6] In light of extended currency exchange rate volatility we have adopted hedge accounting as a change in our accounting policies. If hedge accounting had not been applied the reported profit before tax would have increased by £11.6m in the period. This policy does not affect adjusted profit before tax. See note 1 in the financial information.

This announcement includes inside information which is disclosed in accordance with the Market Abuse Regulation.

Analyst Meeting & Webcast

An Analyst Meeting in relation to the Interim Results will be held on Tuesday 15 November at 08:30 am (UK) by invitation only at:

Bank of America Merrill Lynch
2 King Edward Street
London
EC1A 1HQ

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

UK & International: +44 (0) 20 3427 1906

US: +1 646 254 3365

Participant Pin Code: 4200187

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

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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 524 stores in the UK operating under the “B&M” brand and 71 stores in Germany primarily operating under the “Jawoll” brand as at 29 October 2016. 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

The Group has made good progress during the first half of the financial year, producing strong results, progressing with its strategy for growth in the UK and Germany, and returning surplus capital to shareholders through a £100m special dividend paid in July.

Financial Performance

Group revenues for the 26 weeks ended 24 September 2016 grew by +18.9% to £1,105.9m and by +17.7% on a constant currency basis.

In the UK, revenues grew by +18.0% to £1,017.0m, (FY16 H1: £861.7m) largely driven by the successful execution of our new store opening programme, with 20 net new stores opened in the first half of the year and the annualisation of the record net 74 new stores opened in FY2016.

In the UK, in addition to the 20 net new stores we opened, we also relocated 6 small, low profit stores into larger more modern units. Whilst this enhanced total sales and profit growth it is not included within our like-for-like measures.

Like-for-Like revenues rose by +1.9% on an underlying basis in the first half of the period under review, and by +0.2% including the effect of cannibalisation of new stores on existing stores. Deflation in grocery categories continued during the period but at more moderate levels than last year.

Our third quarter has started solidly. With peak trading just a few weeks away, our stores and supply chain are set up well for the Christmas season. Importantly, as we entered the current quarter the performance of some 46 existing stores continued to be affected by cannibalisation from last year’s new store programme. However, we expect the number of stores impacted by this to reduce to 32 by the end of December 2016 as we pass the annualisation of those openings.

Gross margin rose by 21bps with a continuing stronger sales mix from our new, larger stores and good sell-through of Spring/Summer seasonal products, particularly gardening and outdoor furniture ranges, more than offsetting the adverse effects of a strong US Dollar.

UK costs (excluding depreciation and amortisation) increased as a proportion of sales by 48bps to 25.6% with store costs 43bps higher, in part linked to the impact of the living wage, the impact on the fixed cost base as a result of the flat like-for-like sales growth, and some higher rental and business rates costs as we expand more in the south of the UK. Variable transport and distribution costs also rose 23bps, reflecting increased transport costs as we open new stores further away from our distribution centres in the North. Central costs were 19bps lower, despite an additional £1.3m of fixed warehouse costs, benefitting from the operational leveraging impact of the new stores programme.

In Germany, costs rose by 117bps as a percentage of sales largely as a consequence of the substantial increase in warehouse capacity and investment in the central buying and property teams ahead of more rapid expansion.

The Group’s adjusted EBITDA margin percentage consequently was 33bps lower than last year. The Adjusted EBITDA for the period was £99.2m, an increase of +14.6%, with the UK business growing by

+14.4% and +17.1% in Germany, with the underlying business performing in line with management expectations.

Net finance costs were £9.8m, which compares to £11.1m in FY2016, reflecting the lower cost of borrowing.

The Group's net capital expenditure in the period under review was £23.5m, which was principally driven by the Group's new store opening programme, having opened 30 net new stores and 6 relocations in total across the UK and German business in the period.

New store performance has continued to be strong. We are delighted with last year's cohort of new stores, including the significant number of larger, former DIY stores that have garden centres.

Our expansion in the South of the UK has made good progress. We now have over 100 stores south of the Severn-Wash line and these stores perform broadly in line with those in our heartland regions. As these stores are on average larger, they have higher sales and benefit from stronger gross margins as a result of an increased proportion of general merchandise revenues, offsetting the higher rents and staff costs inherent in most southern locations. Importantly, investment returns delivered by southern stores are highly attractive and differ little from the rest of our portfolio.

We are securing a strong flow of attractive locations for expansion across the country and we continue to believe there remains scope for at least 850 stores in the UK alone.

The Group has continued to be strongly cash generative with cash flow from operations at the end of the first of half of the financial year increasing by +76.0% to £77.7m (FY16: £44.1m). This reflects the continued growth in EBITDA and our disciplined control of working capital. Net debt[7] to adjusted annualised EBITDA reduced to 2.1 times at the end of September 2016 compared to 2.2 times at the end of September 2016. This also comes after having paid a special dividend of £100m to shareholders in July this year and £2.3m (net of cash acquired) on the acquisition of the 9 unit retail store chain made by Jawoll in the period.

In light of extended currency exchange rate volatility we have adopted hedge accounting as a change in our accounting policies. If hedge accounting had not been applied the reported profit before tax would have increased by £11.6m in the period. This policy does not affect adjusted profit before tax. See note 1 in the financial information.

[7] Net debt was £458.6m at the period end. This can be reconciled as £465.0m of gross loan debt (note 10) and £7.9m of finance leases netted against £14.3m of cash.

Dividend

An interim dividend of 1.9p per Ordinary Share will be paid on 23 December 2016 to shareholders on the register at 25 November 2016 which is an increase of 18.8% on the prior year (FY16: 1.6p). 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

Further progress has been made with the implementation of our four strategic priorities, strengthening B&M's position as the UK's leading multi-price general merchandise value retailer.

1. Deliver great value to our shoppers

   Helping our customers spend less on everyday items for their homes and families and doing what we can to enable tight household budgets go further is at the core of what we do. Our disruptive pricing, unique sourcing model and range discipline help us deliver this appealing proposition for customers week in, week out so that they want to return again and again to our stores.

The competitiveness of our offer has continued to drive strong growth in sales and market share for our business, with the bulkier product categories such as DIY and gardening benefiting from the increase in the number of our larger Homestore units.

2. Investing in new stores

   New stores remain the key driver of B&M's revenue, profit and free cash flow growth. We now expect to have 56 UK store openings (45 net new stores) and 19 net new stores in Germany this financial year. There were 20 net new UK stores opened in the first half of the financial year and a further 10 net new store openings in Germany. We saw an increase in replacement store activity in the UK during the first half of the financial year as we strategically look to relocate and enlarge small older stores in our estate.

   B&M's opportunity for growth in our chosen markets remains substantial. There are over three hundred suitable catchment areas in the UK alone without easy access to a B&M store and we are only in the early stages of expansion of our successful Jawoll format in Europe's largest consumer market.

   Retail property market conditions are favourable and we are continuing to see a strong flow of suitable new store properties across the UK in a wide range of sizes and location types, including a growing number of stores developed specifically for us. Importantly, these new store opportunities are at attractive rental levels and investment returns continue to be excellent.

3. Develop our international business

   The integration of our German business Jawoll into the Group is now complete and with the necessary work to support expansion of the business now in place in terms of skills, infrastructure and a retail model that can generate attractive investment returns, we are pushing on with growth.

   Jawoll is moving into a phase of more rapid new store opening. Our plan to open 19 new stores this year is well on track, with 10 stores secured through organic expansion and a further 9 through the acquisition of a small family chain. 10 net new stores opened during the first half of the financial year.

   Strategically this acceleration is important because we believe the combination of the attractive, underserved general merchandise value retail sector in Germany and a competitive, well-managed business that is ready for faster expansion, means that Jawoll now has the potential to become a second growth engine for the Group.

4. Investment in our people and infrastructure

   Ensuring that we have the skills, capability and supporting infrastructure to manage our growth effectively requires commitment and continued investment.

   In July this year we welcomed Andy Monk who joined B&M as the UK division Supply Chain Director and Ali Kendrew as the UK division Marketing Director. Andy and Ali have impressive experience in their respective fields, both having worked for many years with other household name discount retailers in the UK.

   Over the last twelve months we have added two large new distribution warehouses in the UK at Middlewich and Runcorn and also completed a large extension to Jawoll's existing warehouse at Soltau. These increases in capacity mean that we believe we have the necessary facilities to support further rapid expansion in our chosen markets for the next two years.

   Such step changes in infrastructure capacity are not straightforward to implement and it is pleasing that are we are now seeing the full benefits from these investments in terms of store service levels and supply chain efficiencies. We are also now well placed to manage the smooth flow of peak season stock into our stores this year.

Outlook

I am pleased with the performance of the business in the first half of the financial year. In a volatile trading environment B&M made good progress and our teams served customers well. Our results demonstrate that B&M continues to be well positioned to meet the demands of a competitive retail market.

As we pass the anniversary of the trading period last year when we added record numbers of new stores and brought big supply chain capacity increases on stream, we are now seeing the benefit of those investments, in terms of increasing scale, reach and stability of our operations.

As a result I am confident in B&M's ability to continue to grow, both operationally and financially, notwithstanding the uncertainties in the economic outlook. Our model is at its best in tough times. If the current uncertainties translate into tougher economic headwinds, B&M is well placed to respond to the challenge.

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 26 March 2016.

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 22 to 24 of the Annual Report 2016 which is available at www.bandmretail.com

The vote on 23 June 2016 of the UK to leave the EU has created uncertainties in the outlook of the economy generally and foreign exchange rates specifically. We have not seen a negative impact on customer behaviour to date and there has been no material change to our existing principal risks or mitigating actions.

The most tangible effect so far of June's referendum result has been the significant fall in Sterling against our principal trading currencies. The Pound's recent devaluation will not affect our purchasing materially until Spring 2017 because we are hedged for our currency requirements for this financial year. However, given that around 30% of our product purchases are sourced directly in China, the impact next year, whilst not yet measurable with precision, will result in a rise in costs of goods sold.

This is likely to lead to inflation in the affected product categories but given our financial strength, buying scale and efficient sourcing we are determined to minimise the effects of these pressures on our customers, as we have done in the past in similar circumstances.

The Board continues to monitor potential impacts but it does not presently consider that there will be any materially adverse effect on its results or financial position in the current financial year.

Simon Arora
Chief Executive
15 November 2016

Consolidated statement of Comprehensive Income

	Note	**26 weeks ended 24 September 2016 £'000**	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Revenue	2	**1,105,856**	930,319	2,035,285
Cost of sales		**(722,494)**	(609,746)	(1,332,263)
Gross profit		**383,362**	320,573	703,022
Administrative expenses		**(299,893)**	(242,724)	(528,530)
Operating profit		**83,469**	77,849	174,492
Share of profits of investments in associates		**-**	-	1,166
Profit on ordinary activities before interest and tax		**83,469**	77,849	175,658
Finance costs		**(9,953)**	(11,342)	(21,573)
Finance income		**174**	227	460
Profit on ordinary activities before tax		**73,690**	66,734	154,545
Income tax expense		**(15,029)**	(13,948)	(28,745)
Profit for the period		**58,661**	52,786	125,800
Attributable to non-controlling interests		**817**	823	1,264
Attributable to owners of the parent		**57,844**	51,963	124,536
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		**6,923**	981	5,505
Fair value movements recorded in the hedging reserve		**11,626**	-	-
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gain on the defined benefit pension scheme		**-**	-	5
Tax effect of other comprehensive income		**(2,325)**	-	13
Total comprehensive income for the period		**74,885**	53,767	131,323
Attributable to non-controlling interests		**817**	823	1,265
Attributable to owners of the parent		**74,068**	52,944	130,058
Earnings per share				
Basic earnings attributable to ordinary equity holders (pence)	5	**5.8**	5.2	12.5
Diluted earnings attributable to ordinary equity holders (pence)	5	**5.8**	5.2	12.4

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

Consolidated statement of Financial Position

	Note	**24 September 2016 £'000**	26 September 2015* £'000	26 March 2016 £'000
Assets				
Non-current				
Goodwill	7	**841,712**	835,637	837,450
Intangible assets	7	**103,398**	100,524	101,174
Property, plant and equipment	8	**153,010**	123,887	138,050
Investments accounted for using the equity method		**3,995**	3,822	3,995
Other receivables		**2,565**	-	2,771
Deferred tax asset		**115**	194	473
		1,104,795	1,064,064	1,083,913
Current assets				
Cash and cash equivalents		**14,306**	32,819	91,148
Inventories		**370,933**	383,400	356,312
Trade and other receivables		**45,315**	32,642	28,761
Other current financial assets		**13,885**	6,527	4,769
Income tax receivable		**-**	160	-
		444,439	455,548	480,990
Total assets		**1,549,234**	1,519,612	1,564,903
Equity				
Share capital	9	**(100,000)**	(100,000)	(100,000)
Share premium		**(2,472,482)**	(2,577,668)	(2,577,668)
Merger reserve		**1,979,131**	1,979,131	1,979,131
Retained earnings		**(137,693)**	(59,187)	(115,898)
Legal reserve		**(10,000)**	(614)	(614)
Hedging reserve		**(9,301)**	-	-
Put/call option reserve		**13,855**	13,855	13,855
Foreign exchange reserve		**(8,196)**	3,251	(1,273)
Non-controlling interest		**(12,700)**	(11,478)	(11,883)
		(757,386)	(752,710)	(814,350)
Non-current liabilities				
Interest-bearing loans and borrowings	10	**(435,834)**	(434,450)	(435,142)
Finance lease liabilities		**(6,976)**	(4,507)	(4,252)
Other financial liabilities		**(18,405)**	(14,924)	(16,041)
Other liabilities		**(70,397)**	(56,285)	(66,544)
Deferred tax liabilities		**(20,979)**	(22,280)	(20,119)
Provisions		**(876)**	(1,303)	(2,047)
		(553,467)	(533,749)	(544,145)
Current liabilities				
Interest-bearing loans and borrowings	10	**(25,000)**	-	-
Trade and other payables		**(192,690)**	(214,126)	(189,743)
Finance lease liabilities		**(957)**	(961)	(1,119)
Other financial liabilities		**-**	(411)	(487)
Income tax payable		**(14,365)**	(11,747)	(10,290)
Provisions		**(5,369)**	(5,908)	(4,769)
		(238,381)	(233,153)	(206,408)
Total liabilities		**(791,848)**	(766,902)	(750,553)
Total equity and liabilities		**(1,549,234)**	(1,519,612)	(1,564,903)

*Restated see note 1

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 on 14 November 2016 and signed on their behalf by:

S. Arora, Chief Executive Officer.

Consolidated statement of Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Hedging reserve £'000	Legal Reserve £'000	Merger reserve £'000	Foreign exch. reserve £'000	Put/call option reserve £'000	Non-control. interest £'000	Total Share-holders' equity £'000
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 loss 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
Dividend payment to owners	-	-	(16,000)	-	-	-	-	-	-	(16,000)
Dividend payment to non-controlling interest	-	-	-	-	-	-	-	-	(37)	(37)
Effect of share options	-	-	121	-	-	-	-	-	-	121
Total for transactions with owners	-	-	(15,879)	-	-	-	-	-	(37)	(15,916)
Profit for the period	-	-	72,573	-	-	-	-	-	441	73,014
Other comprehensive income										
Exchange differences on retranslation of subsidiaries and associates	-	-	-	-	-	-	4,524	-	-	4,524
Other items and tax effect	-	-	17	-	-	-	-	-	1	18
Total comprehensive income for the period	-	-	72,590	-	-	-	4,524	-	442	77,556
Balance at 26 March 2016	100,000	2,577,668	115,898	-	614	(1,979,131)	1,273	(13,855)	11,883	814,350
Allocation to legal reserve	**-**	**(6,776)**	**(2,610)**	**-**	**9,386**	**-**	**-**	**-**	**-**	**-**
Dividend payments to owners	**-**	**(98,410)**	**(33,590)**	**-**	**-**	**-**	**-**	**-**	**-**	**(132,000)**
Effect of share options	**-**	**-**	**151**	**-**	**-**	**-**	**-**	**-**	**-**	**151**
Total for transactions with owners	**-**	**(98,410)**	**(33,439)**	**-**	**-**	**-**	**-**	**-**	**-**	**(131,849)**
Profit for the period	**-**	**-**	**57,844**	**-**	**-**	**-**	**-**	**-**	**817**	**58,661**
Other comprehensive income										
Exchange differences on retranslation of subsidiaries and associates	**-**	**-**	**-**	**-**	**-**	**-**	**6,923**	**-**	**-**	**6,923**
Other items and tax effect	**-**	**-**	**-**	**9,301**	**-**	**-**	**-**	**-**	**-**	**9,301**
Total comprehensive income for the period	**-**	**-**	**57,844**	**9,301**	**-**	**-**	**6,923**	**-**	**817**	**74,885**
Balance at 24 September 2016	**100,000**	**2,472,482**	**137,693**	**9,301**	**10,000**	**(1,979,131)**	**8,196**	**(13,855)**	**12,700**	**757,836**

Consolidated statement of Cash Flows

	Note	**26 weeks ended 24 September 2016 £'000**	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Cash flows from operating activities				
Cash generated from operations	11	**77,674**	44,126	170,934
Fees associated with the IPO and associated restructuring		**-**	-	(777)
Income tax paid		**(12,704)**	(8,929)	(27,551)
Net cash flows from operating activities		**64,970**	35,197	142,606
Cash flows from investing activities				
Purchase of property, plant and equipment		**(23,007)**	(31,055)	(54,912)
Purchase of intangible assets		**(2,036)**	(1,145)	(1,801)
Acquisition of German business net of cash received		**(2,307)**	-	-
Proceeds from the sale of property, plant and equipment		**1,514**	94	538
Interest received		**112**	107	183
Dividends received from associates		**-**	-	1,295
Net cash flows from investing activities		**(25,724)**	(31,999)	(54,697)
Cash flows from financing activities				
Net receipt of bank loans		**25,000**	-	-
Interest paid		**(8,853)**	(9,741)	(19,662)
Dividends paid to non-controlling interest		**-**	-	(37)
Dividends paid to owners of the parent		**(132,000)**	(25,000)	(41,000)
Repayment of finance lease		**(235)**	(581)	(1,005)
Net cash flows from financing activities		**(116,088)**	(35,322)	(61,704)
Net (decrease)/increase in cash and cash equivalents		**(76,842)**	(32,124)	26,205
Cash and cash equivalents at the beginning of the period		**91,148**	64,943	64,943
Cash and cash equivalents at the end of the period		**14,306**	32,819	91,148
Cash and cash equivalents comprise:				
Cash at bank and in hand		**14,306**	32,819	91,148
		14,306	32,819	91,148

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 26 March 2016, except that since March 2016, the company has adopted a policy of applying hedge accounting for qualifying foreign exchange derivatives, and therefore a hedging reserve has been recognised for the first time. The full new financial instrument policy wording is included below.

The financial statements for B&M European Value Retail S.A. for the period to 26 March 2016 have been reported on by the Group auditor and delivered to the Luxembourg Registrar of Companies. The audit report was unqualified. Since that date the Group Auditors have resigned and have been replaced by KPMG Luxembourg Société coopérative as ratified by the Group's AGM in July 2016.

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.

Restatements

At 26 March 2016, the Group carried out a detailed review of the terms and conditions under which imported goods were shipped, ultimately resulting in recognising these goods at the point of shipment instead of at the UK port, as previously concluded.

As such the comparative period-end balances were restated to reflect the changes, and as such it has also been necessary to restate the September 2015 balances presented in this half year report. These changes have no impact on the statements of comprehensive income or on net equity in any of the periods affected. The restatements are simply reclassifications within working capital.

The reclassifications result in:

- Decreases in deposits on account with suppliers of £33.7m as at September 2015 (£29.7m at March 2015), including those held by related parties (£18.4m, £15.9m respectively);
- Increases in trade creditors of £46.8m in September 2015 and £17.5m at March 2015;
- Increases in inventory of £80.5m in September 2015 and £47.2m in March 2015.

Further information is contained in the annual report released by the Group parent, B&M European Value Retail S.A. for the period to 26 March 2016.

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 27 March 2016 to 24 September 2016. 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

Viability and going concern statements have been made in the Principal risks and uncertainties section of the annual report for the period to 26 March 2016.

Since this date there has been a period of volatility with regard to exchange rates following the referendum on the United Kingdom's membership of the European Union.

With respect to this the directors have reviewed the assumptions and results of the viability testing carried out, and have judged that the events do not have a significant impact on the statements previously made.

On this basis, the directors have determined that it is appropriate to continue to use the going concern basis for production of this financial report.

Financial instruments

The Group has altered their policy on financial instruments since the year end, with the intention of applying hedge accounting to qualifying derivatives. The new policy is as follows, and this has been in place since the start of the financial year.

The Group uses derivative financial instruments such as forward currency contracts, fuel swaps and interest rate swaps to reduce its foreign currency risk, commodity price risk and interest rate risk.

Derivative financial instruments are recognised at fair value. The fair value is derived using an internal model and supported by valuations by third party financial institutions.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement. Effectiveness of the derivatives subject to hedge accounting is assessed at inception of the derivative, when the derivative matures and at each reporting period end date between.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately

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.

Impairment of non-financial assets
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.

Investments in Associates
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, B&M Group does not have voting rights or substantive rights. 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 financial statements.

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 applied and not yet applied by the Group

The following amendments to accounting standards and interpretations, issued by the International Accounting Standards Board (IASB), have been adopted for the first time by the Group in the period with no significant impact on its consolidated results or financial position:

- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendments to IAS 1 'Disclosure Initiative'
- Amendments to IAS 16 and IAS 38 'Clarification of acceptable methods of depreciation and amortisation'
- Amendments to IAS 27 'Equity method in separate financial statements'

IFRS 9 'Financial Instruments' will be applicable after 1 January 2018. This standard will simplify the classification of financial assets for measurement purposes, but it is not anticipated to have a significant impact on financial statements.

IFRS 15 'Revenue from contracts with customers' will be applicable after 1 January 2018. This standard applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and will result in increased disclosure requirements, but is not expected to have a significant impact on the financial statements.

IFRS 16 Leases is expected to be applicable after 1 January 2019. If endorsed, this standard will significantly affect the presentation of the Group financial statements with all leases apart from short term leases being recognised as on-balance sheet finance leases with a corresponding liability being the present value of lease payments. The Group is currently considering the implications of IFRS 16 on the Group's consolidated results and financial position.

The Group does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

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.

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 average euro rate for translation purposes was €1.2262 during the period, with the period end rate being €1.1552 (March 2016: €1.3677/£ and €1.2670; September 2015: €1.3888/£ and €1.3486/£ respectively)

26 week period to 24 September 2016	**UK Retail £'000**	**Germany Retail £'000**	**Corporate £'000**	**Total £'000**
Revenue	**1,016,998**	**88,858**	**-**	**1,105,856**
Gross profit	**350,752**	**32,610**	**-**	**383,362**
EBITDA	**89,755**	**7,623**	**(1,646)**	**95,732**
Interest received	**99**	**13**	**62**	**174**
Interest expense	**-**	**(129)**	**(9,824)**	**(9,953)**
Income tax expense	**(15,853)**	**(1,750)**	**2,574**	**(15,029)**
Segment profit/(loss)	**63,414**	**4,083**	**(8,836)**	**58,661**
Total assets	**1,408,479**	**122,616**	**18,139**	**1,549,234**
Total liabilities	**(252,604)**	**(24,466)**	**(514,778)**	**(791,848)**
Other disclosures:				
Capital expenditure (including intangible)	**(21,021)**	**(4,022)**	**-**	**(25,043)**
Depreciation and amortisation	**(10,587)**	**(1,674)**	**(2)**	**(12,263)**
Share of profit of associates	**-**	**-**	**-**	**-**
Investment in associates accounted for by the equity method	**-**	**-**	**3,995**	**3,995**

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	1,414,328*	94,373	10,911	1,519,612*
Total liabilities	(266,407)*	(15,415)	(485,080)	(766,902)*
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

*These figures have been restated, as explained more fully in note 1.

52 week period to 26 March 2016	UK Retail £'000	Germany Retail £'000	Corporate £'000	Total £'000
Revenue	1,902,557	132,728	-	2,035,285
Gross profit	652,775	50,247	-	703,022
EBITDA	182,035	11,588	2,461	196,084
Interest received	170	13	277	460
Interest expense	(51)	(162)	(21,360)	(21,573)
Income tax expense	(32,877)	(2,636)	6,768	(28,745)
Segment profit/(loss)	131,509	6,150	(11,859)	125,800
Total assets	1,450,936	104,636	9,331	1,564,903
Total liabilities	(247,490)	(19,577)	(483,486)	(750,553)
Other disclosures:				
Capital expenditure (including intangible)	(51,760)	(4,935)	(18)	(56,713)
Depreciation and amortisation	(17,768)	(2,653)	(5)	(20,426)
Share of profit of associates	-	-	1,166	1,166
Investment in associates accounted for by the equity method	-	-	3,995	3,995

3 Reconciliation of EBITDA from 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 24 September 2016 £'000**	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Profit for the period	**58,661**	52,786	125,800
Add back			
Tax expense	**15,029**	13,948	28,745
Finance costs	**9,953**	11,342	21,573
Finance income	**(174)**	(227)	(460)
Depreciation & amortisation	**12,263**	9,465	20,426
EBITDA	**95,732**	87,314	196,084
Adjusting items (see note 4)	**3,501**	(742)	6,387
Adjusted EBITDA	**99,233**	86,572	202,471

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 24 September 2016 £'000**	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Revenue	**1,105,856**	930,319	2,035,285
Cost of sales	**(722,494)**	(609,746)	(1,332,263)
Gross profit	**383,362**	320,573	703,022
Administrative expenses	**(296,392)**	(243,466)	(522,143)
Add back depreciation and amortisation	**12,263**	9,465	20,426
Share of profits of investments in associates	**-**	-	1,166
Adjusted EBITDA	**99,233**	86,572	202,471
Depreciation and amortisation	**(12,263)**	(9,465)	(20,426)
Adjusted profit before interest and tax	**86,970**	77,107	182,045
Finance costs	**(9,189)**	(10,773)	(20,850)
Finance income	**111**	107	183
Adjusted profit before tax	**77,892**	66,441	161,378
Income tax expense	**(15,827)**	(13,794)	(29,884)
Adjusted profit and total comprehensive income	**62,065**	52,647	131,494
Attributable to non-controlling interests	**972**	860	1,364
Attributable to owners of the parent	**61,093**	51,787	130,130

The following table shows the detailed listing of adjusting items:

Period to	**26 weeks ended 24 September 2016 £'000**	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Adjustments to administrative expenses			
Fees related to the IPO	**-**	-	(770)
Fees associated with the acquisition of Knüller	**(452)**	-	-
New store pre-opening costs	**(3,250)**	(4,497)	(7,573)
Foreign exchange movements on intercompany balances	**55**	(83)	(198)
One off items related to the Group's property estate	**924**	(132)	(1,322)
Fair value adjustments to foreign exchange and fuel derivatives	**(1,164)**	5,568	3,577
Other items which management considered one off in nature	**386**	(114)	(101)
Total adjustments to administrative expenses	**(3,501)**	742	(6,387)
Adjustments to finance costs and income			
Fair value adjustments on interest swap derivatives	**63**	120	277
Unwinding of the option held over the minority interest of Jawoll	**(764)**	(569)	(723)
Total adjustments to finance costs and income	**(701)**	(449)	(446)
Adjustments to income tax			
Adjustments relating to items adjusting administrative costs	**811**	(130)	1,194
Adjustments relating to items adjusting finance costs and income	**(13)**	(24)	(55)
Total adjustments to income tax	**798**	(154)	1,139
Other comprehensive income			
Differences relating to retranslation of Group entities	**6,923**	981	5,505
Net movement of derivatives through the hedging reserve	**11,626**	-	-
Actuarial change in the defined benefit pension liability	**-**	-	5
Tax effect of other comprehensive income	**(2,325)**	-	13
Total adjustments to other comprehensive income	**16,224**	981	5,523

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 and the estimated tax effect of these items.

5 Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit 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 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.

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

There are no dilutive potential ordinary shares at the period end. There are share option schemes in place which have had a dilutive effect on the comparative periods, and whilst the majority of these are still outstanding at the period end, they are no longer considered to be dilutive.

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

Period to	**24 September 2016 £'000**	26 September 2015 £'000	26 March 2016 £'000
Profit for the period attributable to ordinary equity holders of the Group	**57,844**	51,963	124,536
Adjusted profit for the period attributable to ordinary equity holders of the Group	**61,093**	51,787	130,130
	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	475
Weighted average number of ordinary shares adjusted for the effect of dilution	**1,000,000**	1,000,479	1,000,475
	Pence	Pence	Pence
Basic earnings per share	**5.8**	5.2	12.5
Diluted earnings per share	**5.8**	5.2	12.4
Adjusted basic earnings per share	**6.1**	5.2	13.0
Adjusted diluted earnings per share	**6.1**	5.2	13.0

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 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
Additions	-	656	-	-	656
Disposals	-	(76)	-	-	(76)
Effect of retranslation	1,813	22	284	83	2,202
At 26 March 2016	**837,450**	**3,123**	**98,396**	**1,363**	**940,332**
Additions	**-**	**836**	**1,200**	**-**	**2,036**
Additions due to Knüller acquisition	**1,284**	**-**	**-**	**-**	**1,284**
Effect of retranslation	**2,978**	**38**	**454**	**132**	**3,602**
At 24 September 2016	**841,712**	**3,997**	**100,050**	**1,495**	**947,254**
Accumulated amortisation / impairment					
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
Charge for the period	-	205	-	113	318
Disposals	-	(54)	-	-	(54)
Effect of retranslation	-	12	-	43	55
At 28 March 2016	**-**	**963**	**-**	**745**	**1,708**
Charge for the period	**-**	**225**	**-**	**109**	**334**
Effect of retranslation	**-**	**23**	**-**	**79**	**102**
At 24 September 2016	**-**	**1,211**	**-**	**933**	**2,144**
Net book value at 24 September 2016	**841,712**	**2,786**	**100,050**	**562**	**945,110**
Net book value at 26 March 2016	837,450	2,160	98,396	618	938,624
Net book value at 26 September 2015	835,637	1,721	98,112	691	936,161

An impairment review was carried out over the Goodwill and Brand assets at 26 March 2016. 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 25 March 2017.

Due to the nature of the business acquired, management consider it appropriate not to recognise any intangible assets other than goodwill.

8 Property, plant and equipment

	Land and buildings £'000	Motor Vehicles £'000	Plant, fixtures and equipment £'000	Total £'000
Cost or valuation				
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
Additions	3,126	892	19,839	23,857
Disposals	(270)	(526)	(275)	(1,071)
Effect of retranslation	1,094	23	473	1,590
26 March 2016	**34,750**	**3,525**	**142,982**	**181,257**
Additions	**1,968**	**432**	**20,607**	**23,007**
Additions due to Knüller acquisition	**-**	**-**	**41**	**41**
Remeasurement of finance leases	**2,468**	**-**	**-**	**2,468**
Disposals	**(839)**	**(484)**	**(70)**	**(1,393)**
Effect of retranslation	**1,948**	**39**	**935**	**2,922**
24 September 2016	**40,295**	**3,512**	**164,495**	**208,302**
Accumulated depreciation				
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
At 26 September 2015	6,596	1,566	24,832	32,994
Charge for the period	1,799	374	8,470	10,643
Disposals	-	(395)	(281)	(676)
Effect of retranslation	128	5	113	246
At 26 March 2016	**8,523**	**1,550**	**33,134**	**43,207**
Charge for the period	**1,891**	**359**	**9,679**	**11,929**
Disposals	**(18)**	**(268)**	**(49)**	**(335)**
Effect of retranslation	**247**	**9**	**235**	**491**
24 September 2016	**10,643**	**1,650**	**42,999**	**55,292**
Net book value at 24 September 2016	**29,652**	**1,862**	**121,496**	**153,010**
Net book value at 26 March 2016	26,227	1,975	109,848	138,050
Net book value at 26 September 2015	24,204	1,570	98,113	123,887

9 Share capital

	24 September 2016	26 September 2015	26 March 2016
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

	24 September 2016 £'000	26 September 2015 £'000	26 March 2016 £'000
Current			
Term facility bank loans	**-**	-	-
Revolving facility bank loan	**25,000**	-	-
	25,000	-	-
Non-current			
Term facility bank loans	**435,834**	434,450	435,142

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	**24 September 2016 £'000**	26 September 2015 £'000	26 March 2016 £;000
Current					
Revolving Facility loan	2.75% + LIBOR	Oct-2016	**25,000**	-	-
			25,000	-	-
Non-Current					
UK Holdco term loan A	2.75% + LIBOR	Jun-2019	**300,000**	300,000	300,000
UK Holdco term loan B	3.25% + LIBOR	Jun-2020	**140,000**	140,000	140,000
			440,000	440,000	440,000

11 Reconciliation of loss before tax to cash generated from operations

	26 weeks ended 24 September 2016 £'000	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Profit before tax	**73,690**	66,734	154,545
Adjustments for:			
Interest expense	**9,779**	11,115	21,113
Depreciation	**11,929**	9,083	19,726
Amortisation of intangible assets	**334**	382	700
Transaction fees through administrative expenses	**-**	-	770
(Profit) / loss on disposal of property, plant and equipment	**(456)**	82	52
(Profit) / loss on remeasurement of finance leases	**(308)**	-	-
Charge on share options	**151**	114	235
Change in inventories	**(9,735)**	(96,810)*	(67,184)
Change in trade and other receivables	**(16,143)**	2,518*	7,855
Change in trade and other payables	**6,539**	56,419*	37,153
Change in provisions	**(587)**	(51)	312
Share of profit from associates	**-**	-	(1,166)
Non-cash foreign exchange effect from retranslation of subsidiary cashflows	**396**	109	400
Unrealised (profit)/loss resulting from fair value of financial derivatives	**2,085**	(5,569)	(3,577)
Cash generated from operations	**77,674**	44,126	170,934

*These figures have been restated, as explained more fully in note 1.

12 Financial instruments

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	**24 September 2016**	26 September 2015	26 March 2016
Financial Assets	**£'000**	£'000	£'000
Fair value through profit and loss			
Fuel price swap	**180**	127	-
Forward foreign exchange contracts	**13,705**	6,400	4,769
Loans and receivables			
Cash and cash equivalents	**14,306**	32,819	91,148
Trade receivables	**19,925**	8,792*	7,775
Other receivables	**271**	1,821	344
Financial Liabilities			
Fair value through profit and loss			
Forward foreign exchange contracts	**-**	-	307
Fuel price swap	**-**	137	63
Interest rate swap	**-**	274	117
Put/call options over the non-controlling interest of Jawoll	**18,405**	14,924	16,041
Amortised cost			
Interest-bearing loans and borrowings	**435,834**	434,450	435,142
Trade payables	**138,420**	180,819*	141,577
Other payables	**1,901**	2,357	7,813

*These figures have been restated, as explained more fully in note 1.

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
24 September 2016				
Foreign exchange contracts	**13,705**	**-**	**13,705**	**-**
Fuel swap contract	**180**	**-**	**180**	**-**
Put/call options on Jawoll non-controlling interest	**(18,405)**	**-**	**-**	**(18,405)**
26 September 2015				
Foreign exchange contracts	6,400	-	6,400	-
Interest rate swaps	(274)	-	(274)	-
Fuel swap contract (asset)	127	-	127	-
Fuel swap contract (liability)	(137)	-	(137)	-
Put/call options on Jawoll non-controlling interest	(14,924)	-	-	(14,924)
26 March 2016				
Foreign exchange contracts	4,462	-	4,462	-
Interest rate swaps	(117)	-	(117)	-
Fuel swap contract	(63)	-	(63)	-
Put/call options on Jawoll non-controlling interest	(16,041)	-	-	(16,041)

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 (which is subsequently discounted to present value) 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 24 September 2016.

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.

	26 weeks ended 24 September 2016 £'000	26 weeks ended 26 September 2015 £'000	52 weeks ended 26 March 2016 £'000
Purchases from associates			
Multi-lines	**38,649**	33,914*	98,105

The following table sets out the total amount of trading balances with Multi-lines outstanding at the period end. The net debtor balance represents a deposit on account.

	24 September 2016 £'000	26 September 2015 £'000	28 March 2016 £'000

Trade receivables from associates			
Multi-lines	**5,846**	9,675*	546

*These figures have been restated, as explained more fully in note 1.

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 1.9pence per share (£19,000,000) 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:

Name
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
15 November 2016	15 November 2016

Report of the Réviseur d'Entreprises agréé
on the review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of B&M European Value Retail S.A. as at 24 September 2016, the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the 26 week period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 condensed consolidated interim financial information as at 24 September 2016 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Other matter

The condensed consolidated interim financial information of B&M European Value Retail S.A. as at 26 September 2015, which is used as comparative information in the condensed consolidated interim financial information of B&M European Value Retail S.A. as at 24 September, 2016, was reviewed by the predecessor auditor who expressed a clean review conclusion on 17 November, 2015.

Luxembourg, November 15, 2016

KPMG Luxembourg Société coopérative
Cabinet de révision agréé

Thierry Ravasio