

# ALTERNATIVE PERFORMANCE MEASURES (APMS)

The Group uses a number of metrics, which are non-IFRS measures, to monitor the performance of its operations. The Group believes that these metrics assist investors in evaluating the performance of the underlying business. Given that these metrics are regularly used by management, they also give the investor an insight into how Group management review and monitor the business on an ongoing basis.

The principal APMS used by the Group are defined as follows:

## TRADING PROFIT

This comprises the operating profit as reported in the Income Statement before intangible asset amortisation. This equates to the Earnings Before Interest, Tax and Amortisation ("EBITA") of the Group.

		2016 €m	2015 €m
<b>Trading profit</b>	Note 2	<b>340.9</b>	<b>255.9</b>

## TRADING MARGIN

Measures the trading profit as a percentage of revenue.

		2016 €m	2015 €m
Trading Profit	Note 2	340.9	255.9
Total Revenue	Note 2	3,108.5	2,774.3
<b>Trading margin</b>		<b>11.0%</b>	<b>9.2%</b>

## NET INTEREST

The Group defines net interest as the net total of finance expense and finance income as presented in the Income Statement.

		2016 €m	2015 €m
Finance Costs	Note 4	14.4	15.1
Finance Income	Note 4	(0.1)	(0.3)
<b>Net Interest</b>		<b>14.3</b>	<b>14.8</b>

## ADJUSTED EARNINGS PER SHARE

The Group defines adjusted earnings per share as basic earnings per share adjusted for the impact, net of tax, of intangible amortisation.

		2016 €m	2015 €m
Profit attributable to ordinary shareholders	Note 8	255.4	188.1
Intangible amortisation	Note 2	12.6	9.1
Intangible amortisation tax impact	Note 21	(1.2)	(1.3)
		266.8	195.9
Weighted average number of shares	Note 8	177,637	176,221
<b>Adjusted earnings per share</b>		<b>150.2 cent</b>	<b>111.2 cent</b>

## FREE CASH FLOW

Free cash flow is the cash generated from operations after net capital expenditure, interest paid and income taxes paid and reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

		2016 €m	2015 €m
Net cash flow from operating activities	Consolidated Statement of Cash Flows	309.6	336.2
Additions to property, plant and equipment	Consolidated Statement of Cash Flows	(113.3)	(79.3)
Proceeds from disposals of property, plant and equipment	Consolidated Statement of Cash Flows	10.2	9.8
Interest received	Consolidated Statement of Cash Flows	0.1	0.3
<b>Free cash flow</b>		<b>206.6</b>	<b>267.0</b>

## RETURN ON CAPITAL EMPLOYED (ROCE)

ROCE is the adjusted operating profit before interest and tax expressed as a percentage of the net assets employed. The net assets employed reflect the net assets, excluding net debt, at the end of each reporting period.

		2016 €m	2015 €m
Net Assets	Consolidated Statement of Financial Position	1,471.5	1,293.8
Net Debt	Note 17	427.9	328.0
		1,899.4	1,621.8
Operating profit before interest and tax	Consolidated Income Statement	328.3	246.8
<b>Return on capital employed</b>		<b>17.3%</b>	<b>15.2%</b>

## NET DEBT

Net debt represents the net total of current and non-current borrowings, current and non-current derivative financial instruments, excluding foreign currency derivatives which are used for transactional hedging, and cash and cash equivalents as presented in the Statement of Financial Position.

		2016 €m	2015 €m
<b>Net Debt</b>	Note 17	<b>427.9</b>	<b>328.0</b>

## WORKING CAPITAL

Working capital represents the net total of inventories, trade and other receivables and trade and other payables, net of transactional foreign currency derivation excluded from net debt.

		2016 €m	2015 €m
Trade and other receivables	Note 15	601.9	474.5
Inventories	Note 14	365.5	293.5
Trade and other payables	Note 16	(585.2)	(468.2)
Foreign currency derivatives excluded from net debt	Note 19	0.5	2.0
<b>Working capital</b>		<b>382.7</b>	<b>301.8</b>

Other information