John Menzies plc

Interim Results Announcement

15 August 2017

John Menzies plc

John Menzies plc

Half year results for the six months ended 30 June 2017

Financial Summary

	2017 Reported	**2017 Constant currency**[7]	2016
Turnover[1]	£1,216.6m	£1,157.7m	£1,002.2m
Underlying operating profit[2]	£30.1m	£26.5m	£21.1m
Operating profit	£7.1m	---	£6.4m
Underlying profit before taxation[3]	£24.7m	£21.1m	£18.1m
Profit before tax	£0.5m	---	£3.0m
Operating cash flow[4]	£35.5m	---	£31.0m
Underlying earnings per share[5] [6]	21.8p	---	18.0p
Basic earnings per share[6]	(4.3)p	---	(2.2)p
Dividend per share	6.0p	---	5.4p

Overview

- The Group has enjoyed a positive first half
  - Underlying profit before taxation up 36% to £24.7m
  - Exceptional items in operating profit were £17.6m (H1 2016: £10.0m) relating to corporate transaction costs and defined benefit pension de-risking resulting in profit before tax of £0.5m
  - Interim dividend of 6.0p, up 11%

- Menzies Aviation produced a strong first half performance
  - Underlying operating profit more than doubled to £21.7m
  - ASIG acquisition completed on 1 February 2017; business is performing well with integration plans on track
  - Contract win momentum across the network remains strong
  - Infrastructure investments and innovation producing benefits

- Menzies Distribution results in line with expectations
  - Underlying operating profit of £10.8m broadly flat after adjusting for football related sticker sales
  - Excellent cost performance mostly offsets volume decline and wage inflation

Dr Dermot F. Smurfit, Chairman of John Menzies plc said:

"I am pleased to report that the Group is trading well.

"Menzies Aviation continues to go from strength to strength. The recently acquired ASIG business is integrating well and generating many opportunities for growth. Within the rest of the business contract win momentum continued and we are benefiting from our investments into infrastructure and innovation.

"Menzies Distribution remains a strong business, performing well despite cost and volume pressures.

"Overall, I am very pleased with the Group's performance in the first half and we look to the future with confidence as demonstrated by the increased dividend payment."

Notes

1. Turnover is revenue plus the Group's share of revenue from joint ventures and associates.
2. Underlying operating profit is operating profit adjusted for non-recurring exceptional items, impairment charges associated with goodwill, joint venture assets and other intangibles, contract amortisation, and the Group's share of interest and tax on joint ventures and associates.
3. Underlying profit before taxation is underlying operating profit less net finance charges.
4. Operating cash flow is operating profit adjusted for depreciation, amortisation, income and dividends from joint ventures and associates, pension and share based payments, and movements in working capital and provisions.
5. Underlying earnings per share is profit after taxation and non-controlling interest but before intangible amortisation and impairment and exceptional items, divided by the weighted average number of ordinary shares in issue.
6. Number of shares in the prior period has been restated to adjust for the impact of the October 2016 rights issue.
7. Performance at constant currency has been calculated by translating non-Sterling earnings for the current period into Sterling at the exchange rates used for the same period in the prior year. No adjustment has been made for the impact of acquisitions in the current period.

Notes to Editors

1. John Menzies plc is one of Scotland's largest companies. The Group has two operating divisions, Menzies Aviation and Menzies Distribution. Both divisions operate in sectors where success depends on providing an efficient, high quality, time-critical service to their customers and partners. The company was established in 1833 and its head office is in Edinburgh. Today the company is an international business with operations worldwide.

2. Menzies Aviation is a leading global provider of passenger, ramp and cargo services. Menzies Aviation operates at 213 airports in 35 countries, supported by a team of some 34,500 highly-trained people. Each year Menzies Aviation serves some 1,000 customers, handling 1.2 million flights, 1.6 million tonnes of cargo and fuelling over 3 million turnarounds. Customers include Air Canada, Air France-KLM, Alaska Airlines, American Airlines, Cathay Pacific, Delta Air Lines, easyJet, Emirates, Frontier Airlines, IAG, Lufthansa, Norwegian Air Shuttle and United Airlines. Best in class safety and security is the number one priority each day and every day.

3. Menzies Distribution operates one of the largest overnight logistics networks in the UK, providing final mile delivery for over 100 million delivery units each year serving customers in the press, travel and third-party logistics sectors. From over 50 sites across Great Britain and Ireland, a team of some 3,500 employees pick, pack, cross-dock and transport clients' materials to bring them to their ultimate destination. In addition to its core role within the UK print media supply chain, delivering over five million magazines and newspapers every day, the division is expanding into both UK retail logistics and neutral consolidation within the fast growing parcel delivery market.

For further information:

John Menzies plc

Giles Wilson, Chief Financial Officer	0131 459 8018
John Geddes, Corporate Affairs Director	0131 459 8018

FTI Consulting

Jonathon Brill/Alex Beagley	020 3727 1000

Chairman's Statement

I have now been in post for over one year and I am pleased with the progress the Group is making. We have strong teams in place, we continue to invest in our infrastructure and innovation to ensure that we are leaders in our markets and we are very well placed to take advantage of the excellent growth opportunities that exist.

As announced on 14 August 2017, despite the strong strategic and commercial benefits which would arise from a combination of Menzies Distribution and DX Group plc ("DX"), and despite further discussions with DX following the DX announcement of 14 July 2017, the Board does not believe it is currently possible to agree a revised set of terms with DX for the combination which would be in the interests of our shareholders and we have therefore terminated discussions with DX.

The Board continues to believe there is strategic merit in and potential shareholder value to be created by separating, at the appropriate time, its Aviation and Distribution divisions into two strategically focussed and independent businesses and we continue to review the options available.

On 1 June 2017 we appointed Philipp Joeinig, as a non-executive director, to the Board. Philipp has extensive aviation industry knowledge and his appointment further strengthens the overall skill set of the Board as we look to continue our expansion in the aviation services marketplace.

Dermot Jenkinson who was appointed to the Board in 1986, initially as an executive director and since 1999 as a non-executive, has intimated his desire to step down and concentrate on his growing personal business activities. Accordingly, he will formally leave the Board on 31 October 2017. Dermot has made an outstanding contribution to the Group over the last 30 years both in representing the interests of the founding Menzies family and through his highly astute business acumen and deep knowledge of our Group. Dermot leaves with our very best wishes for the future.

Our employees are at the heart of everything we do. I would like to welcome the 8,000 new employees who joined us from ASIG on 1 February 2017. We now have 38,000 employees operating in 268 locations in 37 countries. Without them our business does not function and I would like to thank them all for their efforts.

In line with the Group's plan to follow a progressive policy to increase dividends over time, the Board has declared an interim dividend of 6.0p per share which is payable on 17 November 2017 to all shareholders on the register at 20 October 2017.

Outlook

The Group has continued to trade well since the period end and we look forward to the remainder of the year with confidence.

We continue to look at our Group structure with a view to delivering shareholder value by creating two strong pure play companies.

Menzies Aviation has started the second half positively with continuing contract gains, expansion of our service offering, continued investment into infrastructure and a focus on delivering the exciting growth opportunities that exist.

Menzies Distribution continues to seek new pathways to growth by investing into our diversified businesses, utilising our assets during daylight hours and within the core Newstrade business the division is well positioned ahead of the impending publisher contract renewals.

Overall the Board is confident with the Group's outlook for 2017 and we are firmly on track to meet the Board's expectations for the full year.

Group Performance Review – Giles Wilson, Chief Financial Officer

Group performance in the first half of 2017 improved significantly with underlying operating profit up 43% (26% in constant currency) and underlying profit before tax up 36% (17% in constant currency). The improvement was a result of a strong performance at Menzies Aviation, particularly as a result of the acquisition of the ASIG business in February. The Group's profit before tax was £0.5m reflecting the significant level of investment in the ASIG acquisition and integration, the work to demerge and sell the Menzies Distribution business and the de-risking and restructuring of the Company's defined benefit pension scheme.

Menzies Aviation continues to go from strength to strength. The recently acquired ASIG business is integrating well, synergies are tracking in line with expectations and we are developing many new opportunities for growth. Contract win momentum continued with constant currency turnover excluding the impact of ASIG up 12% year on year, while we continue to benefit from our investments into infrastructure and innovation. Menzies Distribution remains a strong business, performing well despite cost and volume pressures. Turnover of the Aviation segment exceeded that of Distribution for the first time.

The Group's turnover was £1,216.6m (H1 2016: £1,002.2m). Underlying profit before tax grew to £24.7m (H1 2016: £18.1m) following a strong performance in Menzies Aviation and favourable foreign exchange translation. The Group's profit before tax was £0.5m (H1 2016: £3.0m). Group underlying earnings per share rose to 21.8p (H1 2016 restated: 18.0p).

Financial Overview

Exceptional and other items in operating profit

Included in the Group's exceptional items in operating profit were transaction related costs of £12.5m, primarily relating to the acquisition and integration of ASIG and the work to demerge and sell the Menzies Distribution business, and £5.1m of costs and charges relating to closing the pension scheme to future accrual and subsequently sectionalising the scheme.

Finance costs

The Group's underlying net finance charge in the period was £5.4m (H1 2016: £3.0m). The increase reflects higher levels of debt to fund the acquisition of ASIG, higher rates of interest rates on US dollar borrowings and fixing of the interest rates on 50% of the $250m term loan.

Taxation

As a multinational business the Group is liable for taxation in multiple jurisdictions around the world. The Group's underlying tax charge for the period was £6.9m (H1 2016: £5.8m), representing an effective underlying tax rate of 28% (H1 2016: 32%).

Earnings per share

The Group's underlying earnings per share were 21.8p (H1 2016 restated: 18.0p) as a result of the increase in profits. The corresponding basic earnings per share were (4.3)p (H1 2016 restated: (2.2)p) driven by non-recurring items.

Defined benefit pension scheme

As at 30 June 2017, the Group's defined benefit pension scheme showed a deficit of £52.1m (H1 2016: £52.7m) with the effect of a decrease in the discount rate applied to the scheme liabilities largely offset by the impacts of favourable demographic assumptions, higher returns on invested assets and continuing additional cash contributions. As previously reported, the Trustee and the Company have agreed a long-term funding plan that will result in additional annual contributions of £10.7m in the 2016/2017 pension year rising with the higher of inflation and the percentage change in annual shareholder dividends up to 2025, the latter only when exceeding 2013's level. The next triennial valuation is set for March 2018 and new deficit contributions will be set to reflect the sectioned pension scheme's different funding profiles.

On 31 March 2017 the Company and Trustee agreed to close the defined benefit pension scheme to future accrual and on 31 May 2017 to sectionalise the scheme. The related exceptional charge of £5.1m comprises the accounting impact of revaluing of past benefits for those impacted and the costs and fees to complete the process.

On 31 May 2017 the Company and Trustee further agreed to split the defined benefit pension scheme into two sections, one supported by the covenant of the Menzies Distribution division and the remainder by the Company. The Company will continue to guarantee the funding of the Menzies Distribution section for as long as the business remains part of the Group. On 30 June 2017 17% of the scheme's assets and liabilities were transferred to the new Menzies Distribution section.

Cash flow and investments

Investments by the Group in the period were £159.4m, primarily for the acquisition of ASIG in Menzies Aviation. Also included were the investments to acquire Gold Coast Air Terminal Services in Menzies Aviation and the partner's share of the Irish joint ventures in Menzies Distribution.

Operating cash flow was £35.5m (H1 2016: £31.0m). Working capital management remains a key focus for the business. Free cash flow was £5.4m (H1 2016: £16.4m). Net capital expenditure totalled £15.3m (H1 2016: £6.9m).

Debt and facilities

The Group continues to operate on a strong financial footing with a robust balance sheet built from strong operating cash flows across both divisions. At the period end, net debt was £235.4m (H1 2016: £126.6m), mostly reflecting the impact of the acquisition of ASIG, partly offset by net proceeds from the rights issue in October 2016.

The Group's net debt to EBITDA ratio was 2.3 times at 30 June 2017 (30 June 2016: 1.7 times) and interest cover was 9.7 times (H1 2016: 9.3 times), which were both well within covenanted levels. The Group had £351.0m of committed facilities at 30 June 2017 of which £57.9m were undrawn.

As previously reported, the Group entered into a new syndicated debt facility, comprising a $250m term loan and a £150m revolving credit facility in September 2016, which expires in June 2021. The new facility was drawn down to fund the acquisition of ASIG on 1 February 2017 and repay existing facilities with the exception of £10.0m remaining on a term loan with RBS. In February 2017 the Company entered into interest rate swaps to fix 50% of the $250m term loan facility for the duration of the loan.

Impact of foreign exchange movements

The majority of Menzies Aviation's stations are located outside the UK and operate in currencies other than sterling. The Group hedges the exposure of foreign currency denominated assets to manage the impact of currency movements in the Group's net assets using forward contracts. The translation of profits from overseas trading entities is not hedged and as a result the movement of exchange rates directly affects the Group's reported results. In the first half of 2017 the Group benefitted from favourable movements against the prior year, particularly with respect to Sterling against the US and Australian dollars. Excluding the acquisition of ASIG the year on year exchange benefit was £2.9m reflecting the impact of the decline in Sterling following the Brexit vote in June 2016.

Menzies Aviation – Business Review – Forsyth Black, Managing Director Menzies Aviation

2017 has started well. Our teams have been very busy winning and starting up new business while also integrating the ASIG business at 87 airports and within our head office functions. Underlying operating profit increased to £21.7m (H1 2016: £10.4m). This included a contribution of £6.4m from the ASIG business acquired on 1 February 2017. This increase demonstrates the momentum within the division following good contract wins and renewal performance, a clear focus on productivity and continuing to work with our customers to deepen relationships.

Having completed the acquisition of ASIG, we have a dedicated team focusing on integration and synergy delivery and they continue to make good progress. We are pleased that the business we have bought has been in line with our expectations. Synergy delivery is on track, and we have exited, on schedule, the transitional support agreement with BBA Aviation plc.

We are very encouraged that the opportunities to grow the business, particularly within the into-plane fuelling market, are very exciting and we are also exploring further synergies between the into-plane fuelling and ground handling businesses which had not been forecast.

As is often the case with portfolio businesses, the ground handling business has required some remedial action. Where possible we have sought rate increases from customers to turn around loss making contracts and where this has not been possible we have closed stations that have no viable route to profitability, as evidenced by the closure of operations at New York JFK at the end of July. Thereafter, we are implementing Menzies' strict pricing policy and are seeking to improve productivity.

Fuel farm management is a new business stream to the Group. We now manage 59 farms in North America and the UK. Performance has been in line with our expectations and we are pleased to have developed new customer relationships with oil companies including BP, Shell and ExxonMobil.

Across the network, ground handling volume increased by 13.0% following prior year contract wins at London Gatwick, general contract win momentum and new ground handling turns within the ASIG business. Cargo handling tonnes were up marginally at 2.4% with generally good volume throughout the network tempered by prior year contract losses. Our into-plane fuelling business handled some 1.7m aircraft turns in the first half and we will seek to grow organically in North America and the UK where we have existing operations.

Our focus on commercial activities continued with 87 contract wins during the period, adding £22m of annual revenue. Contract gains were well spread across the network. We are particularly pleased that within the figure some 29 new into-plane fuelling contracts were secured demonstrating customer approval of our acquisition of ASIG and their confidence in our ability to raise standards and deliver excellent service. There were also 59 contract renewals in the period securing some £39m of annual revenue.

During the period we were notified by easyJet that they would not be renewing their contract with us at London Gatwick. Whilst disappointed at their decision, we cannot continue to operate contracts where the risk profile does not match the return and we will continue to price contracts at what we believe to be acceptable rates. There will be no earnings dilution as a result of this loss. easyJet continues to be an important customer and we are committed to delivering an excellent handover to their new supplier. We look forward to continuing to work closely with easyJet across the many other airports we operate for them. The strength of our relationship has been demonstrated recently with the award of a contract to handle some 12,000 turns in Nice, France.

Looking at regional performance, our EMEA region had a good first half. UK operations benefited from contract wins, particularly at London Gatwick where 16 contracts were secured in December 2016 following the failure of a competitor. This makes London Gatwick a strong station within the portfolio despite not renewing the easyJet business. During March we entered the German market, with passenger services operations commencing at four of the country's busiest airports; Dusseldorf, Frankfurt, Hamburg and Munich, for British Airways and BA CityFlyer. Elsewhere in the region we continue to make progress towards the commencement of our joint venture with Oman Air and now expect operations to start in the third quarter of the year. Business development opportunities within the region are strong and our teams are pursuing a number of opportunities in new and existing markets. We continue to explore our options in South Africa where the ground handling market is difficult and in our Amsterdam cargo business where we are looking to attract new customers and to re-negotiate local labour agreements in an attempt to turn around this business. In March we opened a landmark lounge in Copenhagen with capacity for 170 seated guests.

In the Americas, whilst a huge amount of focus was given to the integration of the ASIG business, we were still successful in winning new business. Frontier Airlines awarded their base operation in Chicago which started successfully in February, we won further business with Norwegian Airlines at Bradley, Fort Lauderdale and Newark as well as Zihuatanejo, Mexico. In addition, we renewed their business in Los Angeles and Orlando. These contract wins demonstrate the need for a seamless commercial activity as the service and relationship in Continental Europe was key to securing the new business. These wins were tempered as previously announced by the loss of the Alaska Airlines contract at their hub in Seattle. The acquisition of ASIG brings many new airline and airline consortia relationships and our commercial teams have been very busy appraising opportunities and looking for ways to benefit from the significant cross selling opportunities that now exist. Staff turnover in North America is prevalent across the industry and we continue to look at innovative ways to tackle this issue. We are now operating a central recruitment centre in Dallas and have a fully online recruitment process that will allow access to new workers quickly and more efficiently.

In Oceania, we reached agreement to acquire Gold Coast Air Terminal Services in Queensland, Australia. This move further strengthens our cargo offering across Australia and is a good strategic fit with our existing operations. In New Zealand, we have seen a large number of contract gains at Auckland that are performing to expectations after a period of operational challenges due to the scale of the expansion.

Within our existing operations we continue to challenge our local teams to improve margins and this project is delivering benefits. Improvements can, where local demand exists, be the addition of a new product such as a lounge or de-icing services or may just be the implementation of technology to improve productivity and drive better returns. The UK in particular is benefiting and we continue to see this business turnaround.

Our drive to be the market leader in our industry continues. We are investing in infrastructure and innovation across the whole of our business. We believe that as a professional aviation services business with global operations our customers can benefit from our research and development activities. This undoubtedly helps to win business as our airline customers see the level of automation and innovation we are bringing to their operations and this also drives cost out of their business as they no longer have to invest in new technologies.

AMI, our global cargo consolidation and forwarding business, has performed well during the period with profits ahead of the same period in the prior year. We are embarking on a project to centralise back office functions as we seek to move the business forward utilising a central platform where we believe further growth can be achieved.

Menzies Distribution – Business Review – Greg Michael, Managing Director, Menzies Distribution

Distribution delivered a slightly lower result due to lack of football related sticker sales in the period. Underlying operating profit was £10.8m (H1 2016: £12.0m) representing a good result in light of increased volume reductions within the magazine market, increased wage costs and considering that 2017 did not have a major football event to drive sticker sales, a £1.4m year on year impact. Diversified businesses continued to increase their contribution and it is important that they continue to prosper to partly mitigate the declines within the core newstrade business.

Overall sales of newspapers were in line with management expectations. Newspaper volumes were down 9.8% on a like for like basis although the sector continued to benefit from cover price appreciation such that sales value on a like for like basis was down 1.7%. Magazine volumes were below expectations, down 11.0% on a like for like basis and 8.7% in value terms, albeit the decline has marginally improved in the last two months of the period. Sales volume was boosted by new contracts most notably supply to Lidl across the network.

Cost savings initiatives again delivered an excellent result. In the period £3.5m cost savings were generated through further productivity initiatives, automation within the branch network and the annualisation of the prior year network re-organisation.

In May, we bought out Eason & Son, our joint venture partner across Ireland, and now have full control of operations. This strengthens our position as we are the only wholesaler operating throughout the UK and the Republic of Ireland and puts us in a great position to offer joined-up logistics services to new clients across both territories, strengthening our connection with the existing publishers.

Retail logistics operations continued to gain traction in the period. Our initial national contract with WHSmith continues, we are delivering a good service to our customer and the contract is making a positive contribution to the division. Returns however, are behind those forecast due to a number of operational challenges. These challenges have resulted in a number of lessons being learned and we are now in a much stronger place to add new contracts and ensure the forecast returns are delivered. In this regard on 4 April 2017 we began delivering medical supplies on behalf of NHS Scotland. The deal sees us collecting stock from their national distribution centre in Larkhall and distributing it to hospitals across all regional health boards in Scotland. This contract builds on the WHSmith business we have and we will look to further broaden our offering during the remainder of the year.

Menzies Parcels started the year behind expectations but has finished the period strongly following new business wins from TNT and Aspray24, the national and international logistics providers. In general we are seeing volumes harden and we anticipate that this will continue in the second half.

Performance at Menzies Response remains challenging outside of the travel brochure distribution business which is performing to plan. Restructuring plans are in place and they will be delivered in the second half.

Our other diversified businesses, Hand2Hand and Fore, continue to trade well and are meeting management expectations.

We continue to look forward to the impending 2019 contract renewals and have entered into preliminary discussions with publishers. We enter this critical period with confidence. We have a quality service offering, a well-funded business and an opportunity to provide more services and utilise our increasing footprint in the UK and the Republic of Ireland.

Independent review report to John Menzies plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2017 which comprises the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 16. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

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

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Glasgow

14 August 2017

GROUP INCOME STATEMENT (unaudited)
for the half year to 30 June 2017

	Notes	**Before exceptional and other items £m**	**Exceptional and other items £m**	**Half year to 30 June 2017 £m**	Before exceptional and other items £m	Exceptional and other items £m	Half year to 30 June 2016 £m
Revenue	3	**1,174.1**	**-**	**1,174.1**	956.0	-	956.0
Net operating costs		**(1,148.4)**	**(22.5)**	**(1,170.9)**	(939.2)	(13.9)	(953.1)
Operating profit before joint ventures and associates		**25.7**	**(22.5)**	**3.2**	16.8	(13.9)	2.9
Share of post-tax results of joint ventures and associates		**4.4**	**(0.5)**	**3.9**	4.3	(0.8)	3.5
Operating profit	3	**30.1**	**(23.0)**	**7.1**	21.1	(14.7)	6.4
Analysed as:							
Underlying operating profit[i]	3	**30.1**	**-**	**30.1**	21.1	-	21.1
Non-recurring items – transaction related and integration	4	**-**	**(12.5)**	**(12.5)**	-	(2.8)	(2.8)
Non-recurring items – pension related	4	**-**	**(5.1)**	**(5.1)**	-	-	-
Non-recurring items – impairment charges	4	**-**	**-**	**-**	-	(7.2)	(7.2)
Contract amortisation	4	**-**	**(4.9)**	**(4.9)**	-	(3.9)	(3.9)
Share of interest on joint ventures and associates		**-**	**0.5**	**0.5**	-	0.3	0.3
Share of tax on joint ventures and associates		**-**	**(1.0)**	**(1.0)**	-	(1.1)	(1.1)
Operating profit		**30.1**	**(23.0)**	**7.1**	21.1	(14.7)	6.4
Finance income	5	**0.6**	**-**	**0.6**	0.3	-	0.3
Finance charges	5	**(5.0)**	**(1.2)**	**(6.2)**	(2.4)	(0.4)	(2.8)
Other finance charge – pensions	13	**(1.0)**	**-**	**(1.0)**	(0.9)	-	(0.9)
Profit before taxation		**24.7**	**(24.2)**	**0.5**	18.1	(15.1)	3.0
Taxation	6	**(6.9)**	**2.4**	**(4.5)**	(5.8)	1.1	(4.7)
Profit/(loss) for the period		**17.8**	**(21.8)**	**(4.0)**	12.3	(14.0)	(1.7)
Attributable to equity shareholders		**18.2**	**(21.8)**	**(3.6)**	12.5	(14.0)	(1.5)
Attributable to non-controlling interests		**(0.4)**	**-**	**(0.4)**	(0.2)	-	(0.2)
		17.8	**(21.8)**	**(4.0)**	12.3	(14.0)	(1.7)
Earnings per ordinary share[ii]							
Basic	7	**21.8p**	**(26.1)p**	**(4.3)p**	18.0p	(20.2)p	(2.2)p
Diluted	7	**21.8p**	**(26.1)p**	**(4.3)p**	18.0p	(20.2)p	(2.2)p

Notes:
[i] Underlying operating profit adjusts for non-recurring exceptional items, impairment charges associated with goodwill, joint venture assets and other intangibles, contract amortisation and the Group's share of interest and tax on joint ventures and associates to provide an appreciation of the impact of those items on operating profit.
[ii] The half year 2016 EPS figures have been restated to adjust for the impact of the October 2016 Rights Issue.

GROUP INCOME STATEMENT (continued)
for the year ended 31 December 2016

	Notes	Before exceptional and other items £m	Exceptional and other items £m	Full year to 31 December 2016 £m
Revenue	3	1,981.6	-	1,981.6
Net operating costs		(1,935.2)	(26.3)	(1,961.5)
Operating profit before joint ventures and associates		46.4	(26.3)	20.1
Share of post-tax results of joint ventures and associates		8.8	(1.3)	7.5
Operating profit	3	55.2	(27.6)	27.6
Analysed as:				
Underlying operating profit[(i)]	3	55.2	-	55.2
Non-recurring items – transaction related and integration	4	-	(8.8)	(8.8)
Non-recurring items – impairment charges	4	-	(9.6)	(9.6)
Contract amortisation	4	-	(7.9)	(7.9)
Share of interest on joint ventures and associates		-	0.6	0.6
Share of tax on joint ventures and associates		-	(1.9)	(1.9)
Operating profit		55.2	(27.6)	27.6
Finance income	5	0.7	-	0.7
Finance charges	5	(4.6)	(2.3)	(6.9)
Other finance charge - pensions	13	(1.6)	-	(1.6)
Profit before taxation		49.7	(29.9)	19.8
Taxation	6	(15.9)	4.1	(11.8)
Profit for the year		33.8	(25.8)	8.0
Attributable to equity shareholders		34.3	(25.8)	8.5
Attributable to non-controlling interests		(0.5)	-	(0.5)
		33.8	(25.8)	8.0
Earnings per ordinary share				
Basic	7	47.8p	(35.9)p	11.8p
Diluted	7	47.7p	(35.9)p	11.8p

Notes:
(i) Underlying operating profit adjusts for non-recurring exceptional items, impairment charges associated with goodwill, joint venture assets and other intangibles, contract amortisation and the Group's share of interest and tax on joint ventures and associates to provide an appreciation of the impact of those items on operating profit.

GROUP STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the half year to 30 June 2017

	Note	**Half year to 30 June 2017 £m**	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
(Loss)/profit for the period		**(4.0)**	(1.7)	8.0
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain/(loss) on defined benefit pensions	13	**17.5**	(13.8)	(36.8)
Actuarial loss on unfunded pension arrangements		**-**	-	(0.3)
Income tax effect on pension arrangements		**(3.4)**	2.6	7.4
Impact of UK rate change on deferred tax on pension arrangements		**0.5**	-	(1.6)
Items that may be reclassified subsequently to profit or loss:				
Movement on cash flow hedges		**0.7**	0.2	-
Income tax effect on cash flow hedges		**(0.1)**	-	-
Movement on net investment hedges		**0.6**	(9.5)	(15.2)
Income tax effect on net investment hedges		**(0.1)**	-	3.0
Exchange (loss)/gain on translation of foreign operations		**(1.9)**	22.2	33.1
Income tax effect of exchange loss/gain on foreign operations		**(0.3)**	-	(4.0)
Other comprehensive income/(loss) for the period		**13.5**	1.7	(14.4)
Total comprehensive income for the period		**9.5**	-	(6.4)
Attributable to equity shareholders		**9.9**	0.2	(5.8)
Attributable to non-controlling interests		**(0.4)**	(0.2)	(0.6)
		9.5	-	(6.4)

GROUP BALANCE SHEET (unaudited)
as at 30 June 2017

	Notes	**30 June 2017 £m**	30 June 2016 £m	31 December 2016 £m
Assets				
Non-current assets				
Intangible assets	8	**202.3**	104.3	104.0
Property, plant and equipment		**160.4**	119.3	127.3
Investments in joint ventures and associates		**27.1**	29.6	30.9
Deferred tax assets		**23.7**	13.0	24.2
		413.5	266.2	286.4
Current assets				
Inventories		**18.9**	14.1	16.0
Trade and other receivables		**352.6**	225.7	243.6
Derivative financial assets	9	**0.7**	-	0.4
Cash and cash equivalents	11	**67.0**	46.2	38.9
		439.2	286.0	298.9
Liabilities				
Current liabilities				
Borrowings	11	**(10.3)**	(68.5)	(39.0)
Derivative financial liabilities	9	**(1.4)**	(9.8)	(6.1)
Trade and other payables		**(335.9)**	(233.4)	(249.9)
Current income tax liabilities		**(12.2)**	(8.8)	(11.3)
Provisions		**(9.1)**	(5.5)	(4.2)
		(368.9)	(326.0)	(310.5)
Net current assets/(liabilities)		**70.3**	(40.0)	(11.6)
Total assets less current liabilities		**483.8**	226.2	274.8
Non-current liabilities				
Borrowings	11	**(291.4)**	(94.5)	(64.7)
Other payables		**(4.9)**	(3.8)	(4.0)
Deferred tax liabilities		**(9.2)**	-	(2.8)
Provisions		**(2.8)**	(3.1)	(4.0)
Retirement benefit obligation	13	**(52.1)**	(52.7)	(71.0)
		(360.4)	(154.1)	(146.5)
Net assets		**123.4**	72.1	128.3
Shareholders' equity				
Ordinary shares		**20.9**	15.4	20.9
Share premium account		**20.7**	20.5	20.5
Treasury shares		**(1.3)**	(1.7)	(1.6)
Other reserves		**(5.7)**	(8.7)	(4.6)
Merger relief reserve		**67.3**	-	67.3
Retained earnings		**3.7**	23.6	3.2
Capital redemption reserve		**21.6**	21.6	21.6
		127.2	70.7	127.3
Non-controlling interest in equity		**(3.8)**	1.4	1.0
Total equity		**123.4**	72.1	128.3

GROUP STATEMENT OF CHANGES IN EQUITY (unaudited)

as at 30 June 2017

	Ordinary shares	Share premium account	Treasury shares	Translation and hedge reserves	Merger relief reserve	Retained earnings	Capital redemption reserve	Total shareholders' equity	Non-controlling equity	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2016	20.9	20.5	(1.6)	(4.6)	67.3	3.2	21.6	127.3	1.0	128.3
Loss for the period	-	-	-	-	-	(3.6)	-	(3.6)	(0.4)	(4.0)
Other comprehensive (loss)/income	-	-	-	(1.1)	-	14.6	-	13.5	-	13.5
Total comprehensive (loss)/income	-	-	-	(1.1)	-	11.0	-	9.9	(0.4)	9.5
New share capital issued	-	0.2	-	-	-	-	-	0.2	-	0.2
Share-based payments	-	-	-	-	-	0.6	-	0.6	-	0.6
Subsidiaries acquired	-	-	-	-	-	-	-	-	(4.4)	(4.4)
Dividends approved	-	-	-	-	-	(10.9)	-	(10.9)	-	(10.9)
Disposal of own shares	-	-	0.3	-	-	(0.2)	-	0.1	-	0.1
At 30 June 2017	**20.9**	**20.7**	**(1.3)**	**(5.7)**	**67.3**	**3.7**	**21.6**	**127.2**	**(3.8)**	**123.4**
At 31 December 2015	15.4	20.4	(1.8)	(21.6)	-	35.6	21.6	69.6	1.6	71.2
Loss for the period	-	-	-	-	-	(1.5)	-	(1.5)	(0.2)	(1.7)
Other comprehensive income/(loss)	-	-	-	12.9	-	(11.2)	-	1.7	-	1.7
Total comprehensive income/(loss)	-	-	-	12.9	-	(12.7)	-	0.2	(0.2)	-
New share capital issued	-	0.1	-	-	-	-	-	0.1	-	0.1
Share-based payments	-	-	-	-	-	0.8	-	0.8	-	0.8
Disposal of own shares	-	-	0.1	-	-	(0.1)	-	-	-	-
At 30 June 2016	15.4	20.5	(1.7)	(8.7)	-	23.6	21.6	70.7	1.4	72.1
At 31 December 2015	15.4	20.4	(1.8)	(21.6)	-	35.6	21.6	69.6	1.6	71.2
Profit/(loss) for the year	-	-	-	-	-	8.5	-	8.5	(0.5)	8.0
Other comprehensive income/(loss)	-	-	-	17.0	-	(31.3)	-	(14.3)	(0.1)	(14.4)
Total comprehensive income/(loss)	-	-	-	17.0	-	(22.8)	-	(5.8)	(0.6)	(6.4)
New share capital issued	5.5	0.1	-	-	69.7	-	-	75.3	-	75.3
Rights Issue costs	-	-	-	-	(2.4)	-	-	(2.4)	-	(2.4)
Share-based payments	-	-	-	-	-	0.8	-	0.8	-	0.8
Income tax effect of share-based payments	-	-	-	-	-	0.3	-	0.3	-	0.3
Dividends paid	-	-	-	-	-	(10.6)	-	(10.6)	-	(10.6)
Disposal of own shares	-	-	0.2	-	-	(0.1)	-	0.1	-	0.1
At 31 December 2016	20.9	20.5	(1.6)	(4.6)	67.3	3.2	21.6	127.3	1.0	128.3

GROUP STATEMENT OF CASH FLOWS (unaudited)
for the half year to 30 June 2017

	Notes	**Half year to 30 June 2017 £m**	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Cash flows from operating activities				
Cash generated from operations	10	**15.6**	20.4	46.1
Interest received		**0.6**	0.3	0.7
Interest paid		**(8.4)**	(2.7)	(7.7)
Tax paid		**(7.0)**	(5.3)	(15.4)
Net cash flow from operating activities		**0.8**	12.7	23.7
Cash flows from investing activities				
Acquisitions	14	**(172.1)**	(4.6)	(4.7)
Cash acquired with subsidiaries	14	**12.7**	0.3	0.3
Investment in associate		**-**	(0.3)	(0.4)
Loan repayment by associate		**-**	-	0.3
Purchase of property, plant and equipment		**(15.7)**	(7.9)	(24.5)
Intangible asset additions		**(0.4)**	(0.4)	(2.6)
Proceeds from sale of property, plant and equipment		**0.8**	1.4	2.4
Dividends received from equity accounted investments		**3.5**	1.8	6.6
Net cash flow used in investing activities		**(171.2)**	(9.7)	(22.6)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		**0.2**	0.1	72.9
Disposal of own shares		**0.1**	-	-
Repayment of borrowings		**(5.2)**	(2.8)	(64.0)
Proceeds from borrowings		**198.4**	8.7	-
Dividends paid to ordinary shareholders		**-**	-	(10.6)
Net cash flow from/(used in) financing activities		**193.5**	6.0	(1.7)
Increase/(decrease) in net cash and cash equivalents		**23.1**	9.0	(0.6)
Effects of exchange rate movements		**(1.3)**	3.0	4.8
Opening net cash and cash equivalents		**38.1**	33.9	33.9
Closing net cash and cash equivalents[i]	11	**59.9**	45.9	38.1

Note:
[i] Net cash and cash equivalents include cash at bank and in hand and bank overdrafts.

NOTES TO THE INTERIM ACCOUNTS

1. INTRODUCTION

These interim condensed financial statements are prepared in a consolidated format. They relate to the half year to 30 June 2017 and are unaudited but have been formally reviewed by the Auditors and their report to the Company is set out herein. They were approved by the Board on 14 August 2017. These interim condensed financial results do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year to 31 December 2016, prepared in accordance with IFRS, have been filed with the Registrar of Companies. The report of the Auditors included in that Annual Report and Accounts 2016 was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006.

2. BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, the Disclosure Rules and Transparency Rules of the Financial Conduct Authority and the basis of the accounting policies set out in the Annual Report and Accounts 2016, except for the adoption of new standards and interpretations effective from 1 January 2017 as noted below.

These interim condensed financial statements have been prepared on a going concern basis as the Directors, having considered the available relevant information, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Changes to accounting policies

Several new accounting standards and amendments are applicable for the first time in 2017. However, they have no material impact on the annual consolidated financial statements or the interim condensed financial statements of the Group. These are:
Amendment to IAS 7: Disclosure Initiative[i] - effective date 1 January 2017
Amendment to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses[i] - effective date 1 January 2017
Improvements to IFRS 2012-2014 cycle[i] - effective date 1 January 2017

Standards and amendments to standards that have been issued but are not effective for 2017 and have not been early adopted are:
IFRS 9 Financial Instruments - effective date 1 January 2018
IFRS 15 Revenue from Contracts with Customers - effective date 1 January 2018
IFRS 16 Leases[i] - effective date 1 January 2019
IFRS 2 Classification and Measurement of Share Based Payment Transactions[i] - effective date 1 January 2018
Note:
[i] Not yet adopted for use in the European Union.

For standards with a future effective date, the Directors are in the process of assessing the likely impact and look to finalisation of the standards before formalising their view. Ahead of the adoption of IFRS 15 Revenue from Contracts with Customers on 1 January 2018, management is in the process of reviewing all material contracts to ensure compliance with the new standard. The review so far has indicated there are no material adjustments.

Non-GAAP measures

Our reported interim results are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006. In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which distort period-on-period comparisons. These are considered non-GAAP financial measures. We believe this information, along with comparable GAAP measurements, is useful to investors in providing a basis for measuring our operational performance. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our performance and value creation. Non-GAAP measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP. Non-GAAP financial measures as reported by the Group may not be comparable with similarly titled amounts reported by other companies.

Contract amortisation relates to intangible assets recognised on historic acquisitions and therefore since it is transaction related it is presented as a non-recurring cost in order to provide stakeholders and management with an appreciation for underlying business performance.

The Group's share of post-tax profit relating to joint ventures and associates is included within operating profit. IAS 1 Presentation of Financial Statements does not prescribe where the investor's share of post-tax profit is presented in the Income Statement but management presents the results within operating profit given the similarity of those operations to other wholly owned businesses.

Below we set out our definitions of non-GAAP measures and provide reconciliations to relevant GAAP measures.

Turnover

Turnover includes revenue from subsidiaries and the Group's share of revenue from joint ventures and associates.

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Revenue	**1,174.1**	956.0	1,981.6
Share of joint ventures and associates revenue	**42.5**	46.2	95.1
Turnover	**1,216.6**	1,002.2	2,076.7

Underlying operating profit

As disclosed on the face of the Income Statement underlying operating profit adjusts for non-recurring exceptional items, impairment charges associated with goodwill, joint venture assets and other intangibles, contract amortisation and the Group's share of interest and tax on joint ventures and associates to provide an appreciation of the impact of those items on operating profit.

Underlying profit before taxation

As disclosed on the face of the Income Statement underlying profit before taxation is defined as underlying operating profit, less net finance charges and before exceptional and other items.

Underlying earnings per share

As disclosed on the face of the Income Statement underlying earnings per share is defined as profit after taxation and non-controlling interest before intangible amortisation and impairment and exceptional items, divided by the weighted average number of ordinary shares in issue.

Free cash flow

Free cash flow is defined as the cash generated after net capital expenditure, interest and taxation, before special pension contributions, acquisitions, disposals, exceptional items, cash raised, ordinary dividends and net spend on shares.

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Cash generated from operations	**15.6**	20.4	46.1
Adjusted for:			
Net interest paid	**(4.3)**	(2.4)	(7.0)
Exceptional interest paid	**(3.5)**	-	3.2
Tax paid	**(7.0)**	(5.3)	(15.4)
Dividends received from equity accounted investments	**3.5**	1.8	6.6
Purchase of property, plant and equipment	**(15.7)**	(7.9)	(24.5)
Intangible asset additions	**(0.4)**	(0.4)	(2.6)
Proceeds from sale of property, plant and equipment	**0.8**	1.4	2.4
Special pension contribution	**5.4**	5.6	10.9
Exceptional cash spend	**11.0**	3.2	11.4
Free cash flow	**5.4**	16.4	31.1

Underlying operating cash flow

Underlying operating cash flow is free cash flow before net capital expenditure, net interest paid and taxation.

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Free cash flow (as set out above)	**5.4**	16.4	31.1
Adjusted for:			
Purchase of property, plant and equipment	**15.7**	7.9	24.5
Intangible asset additions	**0.4**	0.4	2.6
Proceeds from sale of property, plant and equipment	**(0.8)**	(1.4)	(2.4)

Net interest paid excluding exceptional interest	**7.8**	2.4	3.8
Tax paid	**7.0**	5.3	15.4
Underlying operating cash flow	**35.5**	31.0	75.0

3. SEGMENT INFORMATION

For management purposes the Group is organised into two Operating Divisions: Aviation and Distribution. The two Divisions are organised and managed separately based upon their key markets. The Aviation Division provides cargo and passenger ground handling services as well as into-plane fuelling and fuel farm management services across the world. The Distribution Division provides newspaper and magazine distribution services along with marketing and logistics services across the UK and the Republic of Ireland.

The information presented to the Board for the purpose of resource allocation and assessment of segment performance is focused on the performance of each division as a whole but also contains performance information on a number of operating segments within the Aviation Division. The Board assesses the performance of the operating segments based on a measure of adjusted segment result before exceptional items, intangible amortisation and share of interest and tax on joint ventures and associates. Net finance income and expenditure is not allocated to segments as this activity is managed by the central treasury function.

Segment information is presented in respect of the Group's reportable segments together with additional geographic and Balance Sheet information. Transfer prices between segments are set on an arm's length basis.

Business segments

	Revenue			Underlying operating profit/(loss)		
	Half year to 30 June 2017	Half year to 30 June 2016	Full year to 31 December 2016	**Half year to 30 June 2017**	Half year to 30 June 2016	Full year to 31 December 2016
	£m	£m	£m	**£m**	£m	£m
Aviation						
Americas	**226.5**	100.7	219.8	**11.9**	5.3	12.9
EMEA	**248.2**	181.8	391.2	**1.8**	(0.2)	6.0
Rest of World	**84.6**	61.7	139.6	**6.1**	3.7	10.9
Cargo Forwarding	**66.1**	52.4	117.5	**1.9**	1.6	4.4
	625.4	396.6	868.1	**21.7**	10.4	34.2
Distribution	**591.2**	605.6	1,208.6	**10.8**	12.0	24.7
Corporate	**-**	-	-	**(2.4)**	(1.3)	(3.7)
	1,216.6	1,002.2	2,076.7	**30.1**	21.1	55.2
Joint ventures and associates	**(42.5)**	(46.2)	(95.1)	**-**	-	-
	1,174.1	956.0	1,981.6	**30.1**	21.1	55.2

As set out in the Annual Report and Accounts 2016, the Board has amended the structure of reporting to reflect a more geographic organisation rather than a line of business presentation. The Board believes that analysis of the Aviation performance on a geographical basis provides the user with the most relevant information and is consistent with the basis for internal management review. The 2016 half year comparative results presented above are therefore restated on this basis.

A reconciliation of segment underlying operating profit/(loss) to profit/(loss) before taxation is provided below.

Half year to 30 June 2017	Note	Aviation £m	Distribution £m	Corporate £m	Group £m
Operating profit/(loss) before joint ventures and associates		**7.3**	**2.3**	**(6.4)**	**3.2**
Share of post-tax results of joint ventures and associates		**3.2**	**0.7**	**-**	**3.9**
Operating profit/(loss)		**10.5**	**3.0**	**(6.4)**	**7.1**
Analysed as:					
Underlying operating profit/(loss)(i)		**21.7**	**10.8**	**(2.4)**	**30.1**
Exceptional transaction related items	4	**(7.3)**	**(6.3)**	**(4.0)**	**(17.6)**
Contract amortisation	4	**(3.5)**	**(1.4)**	**-**	**(4.9)**
Share of interest on joint ventures and associates		**0.5**	**-**	**-**	**0.5**

Share of tax on joint ventures and associates		**(0.9)**	**(0.1)**	**-**	**(1.0)**
Operating profit/(loss)		**10.5**	**3.0**	**(6.4)**	**7.1**
Net finance expense					**(6.6)**
Profit before taxation					**0.5**

Half year to 30 June 2016	Note	Aviation £m	Distribution £m	Corporate £m	Group £m
Operating (loss)/profit before joint ventures and associates		(3.1)	9.9	(3.9)	2.9
Share of post-tax results of joint ventures and associates		2.7	0.8	-	3.5
Operating (loss)/profit		(0.4)	10.7	(3.9)	6.4
Analysed as:					
Underlying operating profit/(loss)[i]		10.4	12.0	(1.3)	21.1
Exceptional transaction related items	4	(0.5)	0.3	(2.6)	(2.8)
Net impairment loss	4	(7.2)	-	-	(7.2)
Contract amortisation	4	(2.5)	(1.4)	-	(3.9)
Share of interest on joint ventures and associates		0.3	-	-	0.3
Share of tax on joint ventures and associates		(0.9)	(0.2)	-	(1.1)
Operating (loss)/profit		(0.4)	10.7	(3.9)	6.4
Net finance expense					(3.4)
Profit before taxation					3.0

Full year to 31 December 2016	Note	Aviation £m	Distribution £m	Corporate £m	Group £m
Operating profit/(loss) before joint ventures and associates		7.9	20.0	(7.8)	20.1
Share of post-tax results of joint ventures and associates		5.8	1.7	-	7.5
Operating profit/(loss)		13.7	21.7	(7.8)	27.6
Analysed as:					
Underlying operating profit/(loss)[i]		34.2	24.7	(3.7)	55.2
Transaction and restructure related items	4	(4.9)	0.2	(4.1)	(8.8)
Net impairment loss	4	(9.6)	-	-	(9.6)
Contract amortisation	4	(5.1)	(2.8)	-	(7.9)
Share of interest on joint ventures and associates		0.6	-	-	0.6
Share of tax on joint ventures and associates		(1.5)	(0.4)	-	(1.9)
Operating profit/(loss)		13.7	21.7	(7.8)	27.6
Net finance expense					(7.8)
Profit before taxation					19.8

Note:
[i] Underlying operating profit/(loss) is defined as operating profit/(loss) excluding intangible amortisation as shown in Note 4 and exceptional items but including the pre-tax share of results from joint ventures and associates.

Capital expenditure

Half year to 30 June 2017	Aviation £m	Distribution £m	Corporate £m	Group £m
Property, plant and equipment	**14.1**	**0.5**	**0.3**	**14.9**
Intangible assets	**0.1**	**0.3**	**-**	**0.4**

Half year to 30 June 2016				
Property, plant and equipment	6.5	1.3	0.1	7.9
Intangible assets	0.2	0.2	-	0.4

Full year to 31 December 2016				
Property, plant and equipment	23.1	2.7	0.3	26.1
Intangible assets	1.8	0.8	-	2.6

Revenue by country

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
United Kingdom	**689.4**	664.0	1,331.9
United States of America	**179.7**	77.3	169.1
Others	**305.0**	214.7	480.6
	1,174.1	956.0	1,981.6

4. EXCEPTIONAL AND OTHER ITEMS

Exceptional items included in operating profit

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Acquisition and other transaction related costs(i)	**(7.1)**	(3.1)	(7.5)
Acquisition integration costs(ii)	**(5.4)**	-	(1.3)
Pension related costs(iii)	**(5.1)**	-	-
Acquisition related earn-out adjustment(iv)	**-**	0.3	-
	(17.6)	(2.8)	(8.8)

Notes:

(i) Acquisition and other transaction related costs reflect £3.2m of costs incurred relating to work undertaken to demerge and sell the Distribution business, £1.9m pre-acquisition costs (including corporate finance and professional advisor fees) relating to the acquisition of ASIG Holdings Ltd and ASIG Holdings Corp. (together "ASIG") on 1 February 2017, £1.3m increase in onerous lease provision, £0.3m transaction related costs relating to Hyderabad Menzies Air Cargo Private Ltd, £0.3m transaction related costs relating to the establishment of the joint venture business in Oman and £0.1m relating to the step acquisition of EM News Distribution (Ireland) Ltd and EM News Distribution (NI) Ltd. In the prior year, costs relate to the Rights Issue process and acquisition of ASIG (acquisition costs £5.7m and integration costs £1.3m) as well as the acquisition of Renaissance Aviation Ltd, Thistle Couriers Ltd and Edinburgh Arts and Entertainment Ltd (£0.2m total). In addition, aborted Aviation transaction costs were £0.9m while restructure consultancy costs were £0.8m and other ongoing transaction costs were £0.2m.

(ii) Acquisition integration costs relate to ASIG rationalisation (predominantly redundancy) and other integration related costs incurred post acquisition (predominantly integration team, IT consultancy and systems related costs).

(iii) Pension related costs relate to fees and charges of £3.9m incurred in order to close the Company's defined benefit pension fund to future accrual, including curtailment costs of £2.7m as set out in Note 13, and charges of £1.2m incurred to sectionalise the fund.

(iv) In the prior year, contingent consideration relating to the acquisition of Fore Partnership was settled for £1.3m being £0.3m lower than anticipated at 31 December 2015 in Distribution.

Exceptional items included in finance charges

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Acquisition related financing costs(i)	**(0.6)**	-	(1.5)
Unwind discount costs(ii)	**(0.1)**	(0.1)	(0.2)

Notes:

(i) Relating to write-off of bilateral facility fees, pre-acquisition ticking fees and amortisation of underwriting fees on the financing facilities agreed in 2016 to fund the acquisition of ASIG on 1 February 2017. In the prior period £1.5m of costs were recognised relating to ticking fees and an amortisation of underwriting fees on the same financing facilities.

(ii) Relating to deferred consideration and onerous lease provisions.

Intangible assets amortisation and impairment included in operating profit

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Contract amortisation(i)	**(4.9)**	(3.9)	(7.9)
Net impairment loss(ii)	**-**	(7.2)	(9.6)

Notes:

(i) Contracts capitalised as intangible assets on the acquisition of businesses.

(ii) In the prior year a £9.6m impairment was recognised relating to goodwill (£7.2m) and property, plant and equipment (£2.4m) at the cargo operations in Amsterdam.

5. FINANCE COSTS (PRE-EXCEPTIONAL)

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Finance income			
Bank deposits	**0.6**	0.3	0.7
Finance charges			
Bank loans and overdrafts	**(4.9)**	(2.3)	(4.5)
Preference dividends	**(0.1)**	(0.1)	(0.1)
	(5.0)	(2.4)	(4.6)
Net finance costs	**(4.4)**	(2.1)	(3.9)

6. TAXATION

The underlying effective tax rate for the full year 2017 is estimated at 28% (full year 2016: 32%). Therefore the underlying effective tax rate used for the half year 2017 was 28% (half year 2016: 32%). The share of results from the joint ventures and associates for the half year is after taxation of £1.0m (half year to 30 June 2016: £1.1m and full year to 31 December 2016: £1.9m).

The taxation effect of the exceptional and other items is a £1.4m credit (half year to 30 June 2016: £Nil, full year to 31 December 2016: £2.2m credit) in relation to tax deductions available for a proportion of the exceptional costs arising during the half year 2017.

7. EARNINGS PER SHARE

	Basic			Underlying(i)		
	Half year to 30 June 2017	Half year to 30 June 2016 restated	Full year to 31 December 2016	**Half year to 30 June 2017**	Half year to 30 June 2016 restated	Full year to 31 December 2016
	£m	£m	£m	**£m**	£m	£m
Profit/(loss) for the period as set out in the Income Statement	**(4.0)**	(1.7)	8.0	**17.8**	12.3	33.8
Loss relating to non-controlling interests	**0.4**	0.2	0.5	**0.4**	0.2	0.5
Earnings for the period attributable to equity shareholders	**(3.6)**	(1.5)	8.5	**18.2**	12.5	34.3
Basic						
Earnings per ordinary share	**(4.3)p**	(2.2)p	11.8p			
Diluted earnings per ordinary share	**(4.3)p**	(2.2)p	11.8p			
Historical adjusted earnings per ordinary share		(2.4)p	13.8p			
Underlying						
Earnings per ordinary share				**21.8p**	18.0p	47.8p
Diluted earnings per ordinary share				**21.8p**	18.0p	47.7p
Historical adjusted earnings per ordinary share					20.4p	55.9p
Number of ordinary shares in issue						
Weighted average (million)	**83.4**	69.4	71.8			
Diluted weighted average (million)	**83.4**	69.5	71.9			
Historical weighted average (million)		61.3	61.4			

Note:

(i) Underlying earnings is presented as an additional performance measure and is stated before exceptional items and intangible amortisation and impairment.

The weighted average number of fully paid shares in issue during the period excludes those held by the employee share trusts. The diluted weighted average is calculated by adjusting for all outstanding share options that are potentially dilutive, that is where the exercise price is less than the average market price of the shares during the period. The impact of share options in the current period is anti-dilutive and is therefore disregarded in arriving at the adjusted weighted average number of shares.

The half year 2016 results have been restated to adjust for the impact of the October 2016 Rights Issue with the discount reflected as a bonus issue. The restatement adjusts the comparative half year 2016 results for the impact of the bonus factor, but not the increase in the Group's available capital which has been raised but not deployed in the period due to the related acquisition of ASIG completing on 1 February 2017. As such, an additional measure, 'historical adjusted earnings per ordinary share', has been presented to enable the comparison of 2017 performance on a consistent capital base. This has been calculated by adjusting the 2016 weighted average number of shares for this measure to remove the full effect of the Rights Issue. The Directors consider that this provides an underlying measure that is comparable to underlying earnings per share presented historically.

8. INTANGIBLE ASSETS

Intangible assets comprise goodwill of £117.0m (June 2016: £49.0m, December 2016: £51.8m), contracts of £76.5m (June 2016: £45.8m, December 2016: £42.4m) and capitalised software costs of £8.8m (June 2016: £9.5m, December 2016: £9.8m). The principal cause of the increase in goodwill and contracts in the period relates to the acquisition of ASIG Holdings Ltd and ASIG Holdings Corp. as set out in Note 14. Currency movements contributed to a £3.8m decrease to intangible assets in the period (June 2016: increase of £5.3m, December 2016: increase of £10.5m).

9. FINANCIAL INSTRUMENTS

Derivative financial instruments

The Group only enters into derivative financial instruments that are designated as hedging instruments. The fair values of foreign currency instruments are calculated by reference to current market rates.

Fair value hierarchy

As at 30 June 2017, the Group had the following financial instruments held at fair value. 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 which have a significant effect on the recorded fair value that are not based on observable market data.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Derivative financial instruments at fair value through other comprehensive income statement

	30 June 2017 Level 2 £m	30 June 2016 Level 2 £m	31 December 2016 Level 2 £m
Financial assets:			
Foreign exchange contracts – hedged	**0.7**	-	0.4
Financial liabilities:			
Foreign exchange contracts – hedged	**1.4**	9.8	6.1

During the half year to 30 June 2017 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

All financial assets and liabilities, with the exception of borrowings, have a carrying value that approximates to fair value due to their short term nature.

	30 June 2017		30 June 2016		31 December 2016	
	Book value	**Fair value**	Book value	Fair value	Book value	Fair value

	£m	**£m**	£m	£m	£m	£m
Current borrowings	**10.3**	**10.5**	68.5	68.8	39.0	39.2
Non-current borrowings	**291.4**	**291.8**	94.5	95.4	64.7	65.4

Contingent consideration

As set out in Note 14, in the current period the Group acquired 100% of the share capital of Gold Coast Air Terminal Services Pty Ltd in Queensland, Australia. The final purchase price included earn out targets which, should these be met, will require the Group to pay the vendor up to an additional £0.4m in each of December 2017 and December 2018. The earn out targets are based on annualised EBITDA levels and, should the minimum target not be met, no further payment would be required. The difference between the fair value at the date of acquisition and the maximum payable contingent consideration is not considered to be material. Management is confident that the target will be met and therefore the full contingent consideration has been provided for.

The acquisition of PlaneBiz 2015 Ltd in 2014 includes options in relation to the 40% shareholding owned by a third party. These options take the form of a put option in favour of the third party shareholders for up to 30% of the share capital, exercisable in 2018 and 2019. Following the expiry of this put option the Group then has a call option, exercisable for a 60 day period, for the remaining shares that have not been exercised under the put option. The fair value of the put option has been calculated based on the expected discounted cash flows of the underlying value, which is the expected average annual EBITDA over the preceding three years multiplied by 5.5. The call option is considered to have a negligible fair value.

These liabilities for contingent consideration and other acquisition related amounts are Level 3 derivative financial instruments under IFRS 7.

	30 June 2017 £m	30 June 2016 £m	31 December 2016 £m
Fair value of the contingent and other acquisition related amounts:			
Gold Coast Air Terminal Services Pty Ltd	**0.8**	-	-
PlaneBiz 2015 Ltd	**3.4**	3.1	3.4

10. CASH GENERATED FROM OPERATIONS

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Operating profit before joint ventures and associates	**3.2**	2.9	20.1
Depreciation	**13.3**	10.6	22.3
Amortisation of intangible assets	**6.5**	5.3	11.1
Share-based payments	**0.7**	0.6	0.7
Onerous lease provision	**1.3**	-	1.6
Cash spend on onerous leases	**(0.6)**	(0.7)	(1.5)
Loss/(gain) on sale of property, plant and equipment	**0.1**	(0.1)	(0.1)
Pension charge	**1.4**	1.6	3.5
Pension credit	**-**	-	(0.3)
Pension contributions in cash	**(6.5)**	(7.0)	(14.0)
Acquisition and related exceptional items	**16.3**	3.1	9.1
Cash spend on exceptional items	**(10.4)**	(2.5)	(9.9)
Acquisition related earn out adjustment	**-**	(0.3)	(0.3)
Net impairment loss	**-**	7.2	9.6
(Increase)/decrease in inventories	**(2.9)**	0.6	(1.3)
Increase in trade and other receivables	**(109.9)**	(23.7)	(37.3)
Increase in trade and other payables and provisions	**103.1**	22.8	32.8
	15.6	20.4	46.1

11. CHANGES IN NET BORROWINGS

	31 December 2016 £m	Half year cash flows £m	Subsidiaries acquired £m	Currency translation £m	**30 June 2017 £m**

Cash at bank and in hand	38.9	16.7	12.7	(1.3)	**67.0**
Bank overdrafts	(0.8)	(6.3)	-	-	**(7.1)**
Net cash and cash equivalents	38.1	10.4	12.7	(1.3)	**59.9**
Bank loans due within one year	(38.0)	34.9	-	-	**(3.1)**
Preference shares	(1.4)	-	-	-	**(1.4)**
Finance leases	(0.2)	0.1	-	-	**(0.1)**
Debt due after one year	(63.3)	(231.9)	-	5.2	**(290.0)**
Net derivative liabilities (at fair value)	(5.7)	3.7	-	1.3	**(0.7)**
Net debt	(70.5)	(182.8)	12.7	5.2	**(235.4)**

Current borrowings of £10.3m in the Balance Sheet include bank overdrafts of £7.1m, bank loans of £3.1m and finance leases of £0.1m. Non-current borrowings in the Balance Sheet of £291.4m include preference shares of £1.4m and bank debt of £290.0m. Net derivative liabilities of £0.7m shown above include derivative financial assets of £0.7m and derivative financial liabilities of £1.4m as set out on the Balance Sheet.

12. CONTINGENT LIABILITIES

The Company has guaranteed certain trading obligations of its subsidiaries in the normal course of business.

13. RETIREMENT BENEFIT OBLIGATION

The Company's actuary undertook a valuation of the Menzies Pension Fund ("the Fund") as at 30 June 2017 (30 June 2016 and 31 December 2016) under IAS 19. In deriving the results the actuary used the projected unit method and the following financial assumptions:

	Half year to 30 June 2017 %	Half year to 30 June 2016 %	Full year to 31 December 2016 %
Rate of increase in pensions prior to 1 May 2006	**3.6**	3.5	3.7
Rate of increase in pensions after 1 May 2006	**2.2**	2.1	2.2
Price inflation	**3.2**	2.8	3.3
Discount rate	**2.6**	3.2	2.7

The fair value of Fund assets and liabilities are:

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Total value of assets	**372.2**	347.0	368.9
Defined benefit obligation	**(424.3)**	(399.7)	(439.9)
Recognised in Balance Sheet	**(52.1)**	(52.7)	(71.0)
Related deferred tax asset	**8.9**	9.5	12.1
Net pension liabilities	**(43.2)**	(43.2)	(58.9)

The components of the pension expense are:

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Amounts included in finance costs			
Interest cost on defined benefit obligation	**5.9**	7.0	13.9
Interest income on Fund assets	**(4.9)**	(6.1)	(12.3)
Net finance charge	**1.0**	0.9	1.6
Amounts charged/(credited) to operating profit			
Current service cost	**0.6**	0.9	1.9
Administrative costs	**0.8**	0.7	1.6
Effect of curtailment and settlements	**2.7**	-	(0.3)
	4.1	1.6	3.2
	5.1	2.5	4.8

The Fund was closed to future accrual on 31 March 2017 and sectionalised on 30 June 2017. As set out in Note 4, £2.7m of curtailment costs have been recognised as an exceptional cost in the current period. In the prior year there were no exceptional pension costs.

The amounts in the Statement of Comprehensive Income are:

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Returns on assets excluding net interest income	**6.1**	30.4	48.9
Changes in demographic assumptions	**7.1**	-	4.7
Changes in financial assumptions	**0.7**	(45.8)	(93.3)
Experience	**3.6**	1.6	2.9
Actuarial gain/(loss)	**17.5**	(13.8)	(36.8)

The change in scheme assets during the period is:

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Fair value of assets at start of period	**368.9**	312.4	312.4
Interest income	**4.9**	6.1	12.3
Returns on assets excluding interest income	**6.1**	30.4	48.9
Company contributions	**6.5**	7.0	14.0
Employee contributions	**0.2**	0.3	0.7
Effect of settlements	**-**	-	(0.4)
Benefits and expenses paid	**(14.4)**	(9.2)	(19.0)
Fair value of assets at end of period	**372.2**	347.0	368.9

The return on scheme assets (including interest income) in the half year to 30 June 2017 was a gain of £11.0m (half year to 30 June 2016: £36.5m and full year to 31 December 2016: £61.2m).

The change in defined benefit obligation during the period is:

	Half year to 30 June 2017 £m	Half year to 30 June 2016 £m	Full year to 31 December 2016 £m
Defined benefit obligation at start of period	**439.9**	355.8	355.8
Total service cost	**1.4**	1.6	3.5
Exceptional curtailments	**2.7**	-	-
Interest cost	**5.9**	7.0	13.9
Effect of settlements	**-**	-	(0.7)
Employee contributions	**0.2**	0.3	0.7
Benefits and expenses paid	**(14.4)**	(9.2)	(19.0)
Changes in demographic assumptions	**(7.1)**	-	(4.7)
Changes in financial assumptions	**(0.7)**	45.8	93.3
Experience	**(3.6)**	(1.6)	(2.9)
Defined benefit obligation at end of period	**424.3**	399.7	439.9

14. ACQUISITIONS

During the period the Group acquired 100% of the share capital of ASIG Holdings Ltd and ASIG Holdings Corp. (together "ASIG") and Gold Coast Air Terminal Services Pty Ltd.

On 1 February 2017 the Group acquired ASIG, a leading aviation services business. The Group has acquired the business in order to provide comprehensive service solutions including into-plane fuelling, fuel farm management, ground handling, aircraft technical services, facilities equipment maintenance and de-icing at airports across seven countries in the Americas, Europe and Asia. These interim financial statements include the impact of five months' trading results.

On 3 May 2017 the Group acquired Gold Coast Air Terminal Services Pty Ltd, a company based in Australia. The Group has acquired the company to expand its cargo service offering in Australia. These interim financial statements include the impact of two months' trading results.

On 27 May 2017 the Group also acquired 75% of the share capital EM News Distribution (Ireland) Ltd and 25% of EM News Distribution (NI) Ltd (together "EMND I and EMND NI"). This step acquisition enables the Menzies Distribution group to realise the benefits of being the only news wholesaler serving the UK and Republic of Ireland. The intention is to use the existing network under the business' control to diversify into the wider logistics and parcel carrier market. These interim financial statements include the impact of one month's trading results.

	ASIG £m	**Gold Coast Air Terminal Services Pty Ltd £m**	**EMND I and EMND NI £m**	**Half year to 30 June 2017 £m**	Full year to 31 December 2016 £m
Purchase consideration:					
Cash paid	**167.8**	**1.6**	**1.9**	**171.3**	3.5
Impact of assets not transferred	**(2.1)**	**-**	**-**	**(2.1)**	-
Contingent consideration	**-**	**0.8**	**-**	**0.8**	-
Deferred consideration	**-**	**-**	**-**	**-**	0.5
Fair value of existing equity interest in joint ventures	-	-	**5.8**	**5.8**	-
Total purchase consideration	**165.7**	**2.4**	**7.7**	**175.8**	4.0
Less: non-controlling interest acquired	**4.4**	**-**	**-**	**4.4**	-
Less: fair value of net assets acquired	**94.3**	**1.4**	**4.4**	**100.1**	3.6
Goodwill	**67.0**	**1.0**	**3.3**	**71.3**	0.4

The non-controlling interest relating to ASIG has been measured as 49.0% of the net liabilities of ASIG Thailand (Company) Ltd of £9.0m.

Goodwill recognised with respect to ASIG is primarily attributable to workforce expertise and synergies with the Group. Goodwill recognised with respect to Gold Coast Air Terminal Services Pty Ltd is primarily attributable to synergies with the Group. Goodwill recognised with respect to EMND I and EMND NI is primarily attributable to synergies with the Group.

The fair value of assets and liabilities arising from the acquisitions are:

	ASIG £m	**Gold Coast Air Terminal Services Pty Ltd £m**	**EMND I and EMND NI £m**	**Half year to 30 June 2017 £m**	Full year to 31 December 2016 £m
Non-current assets:					
Intangible assets (customer relationships and contracts)	**29.3**	**1.6**	**2.0**	**32.9**	2.7
Intangible assets (brand)	**6.6**	-	-	**6.6**	-
Property, plant and equipment	**33.2**	**0.1**	**0.6**	**33.9**	0.6
Inventory	**2.5**	**-**	**2.5**	**5.0**	0.1
Trade and other receivables	**88.6**	**0.2**	**10.7**	**99.5**	1.4
Cash	**12.3**	**0.2**	**0.2**	**12.7**	0.3
Trade and other payables	**(66.9)**	**-**	**(11.0)**	**(77.9)**	(0.9)
Provisions	**(5.8)**	**-**	**(0.1)**	**(5.9)**	(0.1)
Current income tax liabilities	**-**	**(0.2)**	**(0.2)**	**(0.4)**	(0.1)
Borrowings	**-**	**-**	**-**	**-**	(0.3)
Deferred tax liability	**(5.5)**	**(0.5)**	**(0.3)**	**(6.3)**	(0.1)
Net assets acquired at fair value	**94.3**	**1.4**	**4.4**	**100.1**	3.6

Current assets acquired with ASIG include £63.3m of trade receivables at fair value, the gross amount acquired less provision for bad debts of £6.0m. Current assets acquired with Gold Coast Air Terminal Services Pty Ltd, EMND I and EMND NI include £5.1m of trade receivables at fair value, the gross amount acquired. The fair values of the net assets of all companies acquired remain provisional pending the formal completion of the valuation process.

The acquired businesses contributed £5.6m profit before taxation and £148.7m revenue from acquisition date. If the businesses had been acquired on 1 January 2017, Group revenue and profit before taxation would have been £1,261.9m and £2.9m respectively. Transaction fees of £2.0m relating to these acquisitions were incurred and expensed during the period.

Deferred consideration

Deferred consideration of £0.2m relating to the acquisition of Renaissance Aviation Ltd was cash settled in March 2017. Deferred consideration of £0.3m relating to the acquisition of Menzies Parcels Ltd (formerly known as AJG Parcels Ltd) was cash settled in May 2017. Deferred consideration of £0.3m relating to the acquisition of Thistle Couriers Ltd was cash settled in February 2017.

15. RELATED PARTY TRANSACTIONS

In prior periods the Group owed EM News Distribution (NI) Ltd, formerly a joint venture company prior to 27 May 2017, £7.2m at 30 June 2016 and £5.0m at 31 December 2016. In prior periods the Group also owed another former joint venture company EM News Distribution (Ireland) Ltd £3.3m at 30 June 2016 and £0.1m at 31 December 2016. During the period the partner's stakes in these joint ventures were acquired as set out in Note 14.

16. FOREIGN CURRENCY SENSITIVITY

For the period to 30 June 2017, if Sterling had weakened/strengthened by 10% on currencies that have a material impact on the Group profit before tax and equity, with all other variables held constant the effect would have been:

		Half year to 30 June 2017		Full year to 31 December 2016	
	Changes in rate	**Effect on profit before tax £m**	**Effect on equity £m**	Effect on profit before tax £m	Effect on equity £m
US dollar	+10%	**1.3**	**0.8**	1.5	3.8
US dollar	- 10%	**(1.0)**	**(0.7)**	(1.2)	(3.1)
Australian dollar	+10%	**0.5**	**1.7**	1.0	1.8
Australian dollar	- 10%	**(0.4)**	**(1.4)**	(0.8)	(1.5)
Indian rupee	+10%	**0.3**	**1.4**	0.6	1.3
Indian rupee	- 10%	**(0.3)**	**(1.1)**	(0.5)	(1.0)
Euro	+10%	**0.2**	**(0.2)**	0.5	-
Euro	- 10%	**(0.2)**	**0.1**	(0.4)	-
South African rand	+10%	**(0.1)**	**0.7**	(0.1)	0.8
South African rand	- 10%	**-**	**(0.6)**	0.1	(0.7)

The impact of the Group's exposure to other foreign currencies is not considered to be material to the overall results of the Group.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the business activities of the Group remain those detailed in the Annual Report and Accounts 2016, a copy of which is available on the Group website at www.johnmenziesplc.com. The Board considers that these remain a current reflection of the risks and uncertainties facing the business for the remaining six months of the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 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 the Disclosure Rules and Transparency Rules of the Financial Conduct Authority, paragraphs DTR 4.2.7 R and DTR 4.2.8 R. The Directors of John Menzies plc are listed in the Annual Report and Accounts 2016. A list of current Directors is maintained on the Company website: www.johnmenziesplc.com.