Biffa

Biffa plc

30 November 2016

HALF YEAR RESULTS FOR THE 26 WEEKS ENDED 23 SEPTEMBER 2016

Strong first half performance driven by organic and acquisitive growth

Biffa plc ('Biffa', 'the Group' or 'the Company'), a leading UK integrated waste management company, announces its results for the 26 weeks ended 23 September 2016, following its admission to trading on the London Stock Exchange on 20 October 2016.

OVERVIEW

- Strong first half performance; full year expectations unchanged
- Net Revenue[1] up 8.6% to £446.7m (3.7% organic and 4.9% acquired) driven by growth in the Industrial & Commercial ('I&C'), Municipal and Resource Recovery & Treatment ('RR&T') divisions
- Underlying EBITDA[2] up 14.9% to £71.0m
- Underlying Operating Profit[3] up 22.9% to £39.7m and margin[4] increasing to 8.0% from 7.0%
- Two acquisitions completed in the period, and a third post period end, with combined targeted annual revenue of c. £42m
- Cash flow in line with expectations
- Period end pro forma net debt[5] of £270m or 2.1x Underlying EBITDA, based on post-IPO capital structure

FINANCIAL SUMMARY

	H1 17 £m	H1 16 £m	Change £m	Change %
Statutory Revenue	**497.5**	464.3	33.2	7.2
Net Revenue	**446.7**	411.4	35.3	8.6
Underlying EBITDA	**71.0**	61.8	9.2	14.9
Underlying Operating Profit	**39.7**	32.3	7.4	22.9
Underlying Operating Profit Margin	**8.0%**	7.0%		
Statutory Operating Profit	**12.2**	29.2	(17.0)	(58.2)

See page 13 for basis of preparation and definitions of all non-statutory measures

[1] Revenue excluding Landfill Tax

[2] The profit earned by the Group before depreciation and amortisation, exceptional items, amortisation of acquisition intangibles, finance costs, taxation and material impacts from changes in real discount rates applied to the Group's long-term provisions

[3] The operating profit earned by the Group before exceptional items, amortisation of acquisition intangibles and material impacts from changes in real discount rates applied to the Group's long-term provisions

[4] Calculated as a percentage of statutory revenue

[5] Pro forma net debt is net debt as at 23 September 2016 adjusted for cash flows associated with the IPO as set out in the prospectus. Excludes balances and charges related to Biffa's legacy EVP dispute.

Ian Wakelin, Chief Executive of Biffa, said:

"We have delivered a strong first half performance.

"Biffa has the scope to continue to grow organically, leveraging our brand, operational know-how and national scale. Moreover, we are well positioned to capitalise on increasing consolidation in a fragmented marketplace, with the structural growth drivers in the industry favouring our business model.

"Looking ahead, we will continue to develop our infrastructure and services, taking advantage of the significant amount of waste we control. Within our existing operations we see further opportunities to optimise our systems and processes to deliver additional growth in revenue and expansion of margins. Building on our successful track record of in-fill acquisitions, we have a pipeline of opportunities which we are actively exploring, particularly in our I&C division.

"Our full year expectations remain unchanged and we look forward to reporting on further progress."

DIVISIONAL PERFORMANCE

	Net Revenue £m			Underlying Operating Profit £m		
	H1 17	H1 16	Change %	**H1 17**	H1 16	Change %
I&C	**261.3**	239.9	8.9	**21.3**	14.4	47.9
Municipal	**89.7**	77.0	16.5	**5.2**	4.5	15.6
RR&T	**53.7**	51.1	5.1	**7.3**	1.0	630
Energy	**42.0**	43.4	(3.2)	**14.8**	15.2	(2.6)
TOTAL[6]	**446.7**	411.4	8.6	**39.7**	32.3	22.9

Industrial & Commercial (59% of Net Revenue)

- Customer wins, and improved pricing discipline, delivered organic revenue growth of 5.8% while acquisitions added 3.1% to revenues for the half
- Corporate customer wins include John Lewis Partnership, KFC, Next and AB Inbev, achieved as a result of national presence and integrated service offering
- Underlying Operating Profit margin up to 8.2% from 6.0%. Full year margin on track to grow year on year in line with expectations albeit with, as anticipated, some softening from the first half to the second due to currency impacts, increased depreciation and modest seasonality in the second half of the year

Municipal (20% of Net Revenue)

- Solid performance in a competitive market
- Revenue growth of £12.7m or 16.5% to £89.7m, driven by the Manchester City Council contract and acquired Cory contracts (6.3% organic and 10.2% acquired)
- Underlying Operating Profit increased 15.6% to £5.2m with margin stable at 5.8%

[6] Total Underlying Operating Profit includes central costs of £8.9m (£2.8m in prior year)

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Resource Recovery & Treatment (12% of Net Revenue)

- Net Revenue increase of 5.1% to £53.7m and Underlying Operating Profit margin expansion to 7.0% driven by: new services; operational improvements; prior year infill acquisitions; and improved gate fees and commodity prices in our Materials Recycling Facilities ('MRFs').
- Acquired revenue growth of 9.2%, as a result of the two hazardous waste acquisitions completed in the prior year, offset a 4.1% decline in organic revenue caused by a one-off item in the prior year
- All sub-divisions, including landfill, have seen growth in Underlying Operating Profit

Energy (9% of Net Revenue)

- Net Revenue declined in line with expectations by 3.2% to £42m due to reducing landfill gas yields and a power export price which was 19.1% lower when compared with the first half of FY16
- West Sussex contract has benefited from the move to full service in the prior year offsetting some of the decline in landfill gas revenues
- 94% of energy output has been forward sold for FY17
- Underlying Operating Profit margin increased slightly to 35.2% (35.0% for H1 FY16)

PRESENTATION OF RESULTS

There will be a presentation of the results to analysts and investors at 10.00am today (30 November 2016) at Rothschild, New Court, St. Swithin's Lane, London, EC4N 8AL.

A live audio webcast of the presentation will be available on Biffa's website – www.biffa.co.uk

The presentation slides will be added to Biffa's website prior to the analyst meeting.

ENQUIRIES:

Investors
Ian Wakelin, Chief Executive Officer
Michael Topham, Chief Financial Officer
ir@biffa.co.uk

Media & Analysts
Instinctif Partners
biffa@instinctif.com

This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the Company's business. Whilst the Company believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Company's control or within the Company's control where, for example, the Company decides on a change of plan or strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.

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BOARD OF DIRECTORS' STATEMENT

Overview

We are pleased to report a strong first half performance in our first set of results since admission to the London Stock Exchange on 20 October 2016.

The Group has a clear strategy to leverage its scale and market leading positions to grow both organically and by acquisition. The UK waste industry continues to be subject to long term, structural growth drivers: a growing population and an increasing trend, supported by regulations, to improve segregation of waste to enable further realisation of value through recycling and energy recovery. Biffa, therefore, has a solid platform to support future growth.

Results

The Group delivered a strong performance in the first half of the year. Revenues increased by 7.2% to £497.5m and Net Revenues rose 8.6% to £446.7m, driven by growth in our I&C, Municipal and RR&T divisions. Underlying EBITDA rose 14.9% to £71.0m. Underlying Operating Profit rose 22.9% to £39.7m with the Underlying Operating Profit margin increasing to 8.0% from 7.0%, reflecting our ongoing focus on the optimisation of operations as well as growth. Statutory Operating Profit reduced to £12.2m due to an increase in other items from £3.1m to £27.5m. Underlying Profit Before Tax for the period was £23.9m (Statutory Loss Before Tax: £3.6m) and Underlying Earnings Per Share 171p (Statutory Loss Per Share: 50.0p).

Dividend Policy

The Board has adopted a progressive dividend policy which will balance shareholder returns with our commitment to investing for long term growth.

The Company intends to pay annual dividends based on a targeted dividend pay-out ratio of approximately 35% of consolidated annual underlying post-tax profit. The first dividend payment is expected to be a final dividend in respect of the period between the date of admission to trading on the London Stock Exchange and the end of financial year 2017, expected to be paid following approval of the year end accounts at the annual general meeting of the Company, to be held in July 2017.

Following this, the Company intends to pay interim dividends in December in the relevant financial year and final dividends in July of the following financial year, with the amount being paid in an approximate one-third (interim) and two-thirds (final) split.

Governance

The Board is committed to maintaining the highest standards of governance across our business. Our Annual Report will set out and explain the processes we have put in place to deliver long-term success whilst also ensuring that the Company complies with all applicable laws and regulations, and meets the requirements of our shareholders and their representative bodies.

Prior to listing, David Martin and Ken Lever were appointed to the Board as Senior Independent Non-Executive Director and Independent Non-Executive Director respectively. Ken Lever will serve as Chairman of the Audit Committee. Both David and Ken bring with them a significant breadth and depth of expertise in leading successful and growing listed companies.

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Summary

The strong performance achieved this first half reflects the continued progress we are making in implementing our strategy.

We would like to thank all of Biffa's people for their hard work, commitment and professionalism. Our admission to the London Stock Exchange, and the strong performance of which this first half is an example, could not have been achieved without them.

CHIEF EXECUTIVE'S REVIEW

Operating Performance

Performance in the first half is in line with expectations, with all four divisions delivering on their plans and with our full year expectations remaining unchanged. For the half year Net Revenue has increased by 8.6% to £446.7m, driven by growth in our I&C, Municipal and RR&T divisions. Underlying Operating Profit margin has increased from 7.0% to 8.0%.

Acquisition Strategy

It is a key part of our strategy to support organic growth by making synergistic in-fill acquisitions, especially in our I&C division. We have a proven track record of identifying and integrating value-enhancing acquisitions, and we operate in a highly fragmented marketplace.

In June we purchased Cory Environmental Municipal Services Limited, which brought in £7m of targeted annual I&C revenues and £26m of targeted annual revenues for Municipal from four contracts in Cornwall, Lincoln, Rutland and Tunbridge Wells. In the same month we also acquired the trade and assets of a small trade waste collection business in London with targeted annual revenues of £1.5m.

In November, post period end, we completed the acquisition of the trade and assets of Blakeley's Recycling Limited which is targeted to add over £7m to annual I&C revenues.

We have a healthy pipeline of acquisition opportunities.

Industrial & Commercial

	H1 17 £m	H1 16 £m	Change %
Revenue	**261.3**	239.9	8.9
Underlying Operating Profit	**21.3**	14.4	47.9
Underlying Operating Profit Margin	**8.2%**	6.0%	

I&C Net Revenue increased 8.9% to £261.3m, driven by major new contract wins and our ongoing focus on improved pricing discipline. Organic revenue increased 5.8% with acquisitions contributing 3.1% to growth. Corporate account contract wins during the period included the John Lewis Partnership, KFC, Next and AB Inbev. We also continue to focus on improving our service to our important SME customer base and have reduced customer churn.

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Underlying Operating Profit margin was 8.2% for the half year having improved from 6.0% in the prior half year. Disposal costs, which are a significant component of I&C's cost base, have benefited from a further increase in the production of Refuse Derived Fuel ('RDF') which is sent for energy recovery, principally to mainland Europe. Full year Underlying Operating Profit margin is expected to increase year on year but to be lower in the second half than in the first half due to the impact of weakness in the GBP/Euro exchange rate, a step up in depreciation due to phasing of vehicle replacements and some modest seasonality.

Municipal

	H1 17 £m	H1 16 £m	Change %
Revenue	**89.7**	78.7	14.0
Net Revenue	**89.7**	77.0	16.5
Underlying Operating Profit	**5.2**	4.5	15.6
Underlying Operating Profit Margin	**5.8%**	5.8%	

The division benefited from the mobilisation during the prior year of our eight year contract to provide household recycling and refuse collections and street cleansing for Manchester City Council, one of our largest contracts. The result for this division was also boosted by the acquired Cory contracts in Cornwall, Lincoln, Rutland and Tunbridge Wells which are expected to add £26m per annum of revenues.

After the period end we secured a new seven year waste and recycling collections contract with North Somerset Council which will begin in March 2017 and is expected to deliver revenues of approximately £50m over its initial term.

Operating margins were stable and reflected a solid performance in a competitive market.

Resource Recovery & Treatment

	H1 17 £m	H1 16 £m	Change %
Revenue	**104.5**	102.3	2.2
Net Revenue	**53.7**	51.1	5.1
Underlying Operating Profit	**7.3**	1.0	630.0
Underlying Operating Profit Margin[4]	**7.0%**	1.0%	

Net Revenue increased 5.1% to £53.7m and Underlying Operating profit improved £6.3m to £7.3m driven by two hazardous waste acquisitions in the prior year, growth from new and existing services, including landfill, and, in our Materials Recycling Facilities ('MRF's), improvements in both commodity prices for recyclates and gate fees charged to customers. Acquisitions contributed 9.2% to net revenue growth which offset a decline in organic revenue of 4.1% attributed to a one-off contract termination receipt of £3.1m in the prior period.

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Energy

	H1 17 £m	H1 16 £m	Change %
Revenue	**42.0**	43.4	(3.2)
Underlying Operating Profit	**14.8**	15.2	(2.6)
Underlying Operating Profit Margin	**35.2%**	35.0%	

The decline in Net Revenue was expected and was driven by anticipated reductions in landfill gas revenues. The wholesale energy price achieved for the period was 19.1% lower than for the same period last year. 94% of expected energy output has been forward sold for FY17.

This decline was partly offset by a strengthened performance at our mechanical and biological treatment ('MBT') plant in West Sussex as the facility commenced full service during the prior year.

We continue to explore opportunities in Energy from Waste ('EfW') and are in discussions with potential partners regarding opportunities for equity investment in this area.

Operational KPIs

The strong performance in the period is further evidenced by delivery of our operational KPIs in line with our expectations, with growth in tonnages collected, processed and landfilled, and a reduction in energy generation as landfill gas yields decline gradually over time. Energy prices were reduced from the prior year:

	H1 17	H1 16	Change %
Tonnes Collected (mt)	**1.94**	1.81	7.2
Tonnes Processed (mt)	**1.65**	1.52	8.6
Tonnes Landfilled (mt)	**1.49**	1.42	4.9
Energy generation (GWh)	**251.5**	267.4	(5.9)
Energy price (£/MWh)	**36.1**	44.7	(19.2)

Summary and Outlook

We have delivered a strong first half performance.

Biffa has the scope to continue to grow organically, leveraging our brand, operational know-how, and national scale. Moreover, we are well positioned to capitalise on increasing consolidation in a fragmented marketplace, with the structural growth drivers in the industry favouring our business model.

Looking ahead, we will continue to develop our infrastructure and services, taking advantage of the significant amount of waste we control. Within our existing operations we see further opportunities to optimise our systems and processes to deliver additional growth in revenue and expansion of margins. Building on our successful track record of in-fill acquisitions, we have a pipeline of opportunities which we are actively exploring, particularly in our I&C division.

Our full year expectations remain unchanged and we look forward to reporting on further progress.

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FINANCIAL REVIEW

Listing of Biffa plc

On 20 October 2016, subsequent to the half year end, Biffa plc was listed on the London Stock Exchange. This resulted in a reduction in the Group's net debt (and a positive net asset position) and reduced ongoing financing costs. Pro forma net debt as at the half year was £270m or 2.1x Underlying EBITDA, and pro forma underlying annualised financing costs were estimated to be in the region of £22m (c.£18.5m cash, £3.5m non-cash).

Net debt (£m)	**1H17**		March 16
	Actual	Proforma	
Cash	95.2	29.6	106.0
Loans	(409.2)	(200.0)	(409.1)
Finance leases	(99.8)	(99.8)	(82.8)
Junior shareholder loan	(120.0)	-	(120.0)
Total	**(533.8)**	**(270.2)**	**(505.9)**

Underlying Group Performance

Revenues grew from £464.3m to £497.5m (7.2%) and Net Revenues grew from £411.4m to £446.7m (8.6%).

Underlying EBITDA increased by 14.9% to £71.0m and Underlying Operating Profit increased by 22.9% to £39.7m. The principal drivers of the growth in both Underlying EBITDA and Underlying Operating Profit were the I&C and RR&T divisions. Underlying Profit before tax increased 104% to £23.9m.

Other Items

To enable a better understanding of business performance, certain items are excluded when calculating the Group's Underlying measures of performance.

The items are more fully explained in Note 4 to the condensed consolidated financial statements and include exceptional items, amortisation of acquisition intangibles and material impacts from changes in real discount rates on landfill provisions and totalled £27.5m in the period (prior period £3.1m). The principal reason for the significant increase in the current half year is the impact of the reduction in the real discount rate on landfill provisions, which resulted in a charge of £20.3m in the period, compared to a credit of £4.9m in the prior period.

A reconciliation from underlying operating profit to statutory operating profit is set out below.

	H1 17 (£m)	H1 16 (£m)
Underlying Operating Profit	**39.7**	**32.3**
Exceptional items	0.2	(0.6)
Amortisation of acquisition intangibles	(7.4)	(7.4)
Impact of changes in real discount rate on landfill provisions	(20.3)	4.9
Statutory Operating Profit	**12.2**	**29.2**

Finance Income

Finance income reduced from £4.5m to £2.9m primarily due to the non-recurrence of a one-off interest income item in the prior period.

Finance Charges

Finance charges includes interest charges on the Group's borrowings, bond premiums and discount unwind on landfill provisions.

Finance charges reduced by £6.4m in the period. The reduction resulted from a fair value adjustment on the Group's pre-IPO term debt in the prior period, which more than offset increased finance charges on finance lease liabilities.

Taxation

The effective tax rate on underlying profits was 28% (prior period 83%). The principal reason for the effective tax rate being higher than the prevailing rate in the current and prior period is movements in deferred tax balances.

Earnings per Share

The reported earnings per share figures reflect the issued share capital at the balance sheet date which fell before the restructuring of the Group prior to IPO and the issuance of new share capital upon Admission.

Underlying earnings per share increased to 171 pence per share. Total loss per share increased to 50 pence per share.

Dividend

Details of the progressive dividend policy adopted by the board are set out in the Board of Directors' Statement on page 4.

Retirement Benefits

The Group operates a defined benefit pension scheme for certain employees which is closed to new entrants and which closed to future accrual for the majority of its members as at 1 November 2013.At 23 September 2016, the net retirement benefit deficit was £17.9m compared to a surplus of £29.5m at 25 March 2016. The change in the financial position of the scheme reflects the increase in the value

of the liabilities of the scheme (principally due to the reduction in long term discount rates), which was larger than the corresponding increase in the value of the assets of the scheme over the same period. The scheme had an actuarial deficit of £66.7m as at the time of the last valuation in March 2015, and an inflation-linked payment of £3.85m from March 2017 has been agreed with the trustee of the scheme.

Return on Capital

The Group operates a disciplined approach to capital investment.

Group Return on Capital Employed (see page 14 for definition) increased from 8.2% to 9.7%. This measure is materially affected by intangible assets held on the balance sheet which were initially recognised in 2008 upon the LBO of the Group including Landfill Gas Rights and Brand.

Group Return on Operating Assets (see page 14 for definition) increased from 23.5% to 26.2%

Acquisitions

During the period the Group completed two acquisitions: the entire issued share capital of Cory Environmental Municipal Services Limited (on 8 June 2016 for a consideration of £13.5m) and a small trade waste collection business in London (on 1 June 2016, for consideration of £0.5 million).

Cash Flow

A summary of the Group's cash flows is shown below:

	H1 FY17 (£m)	**H1 FY16 (£m)**
Underlying EBITDA	71.0	61.8
Working capital	(17.2)	6.3
Capital expenditure	(19.6)	(18.9)
Property sales	0.4	6.4
Net interest paid	(14.9)	(11.9)
Finance lease principal payments	(14.9)	(13.7)
Other	(0.8)	(2.5)
Underlying free cash flow	**4.0**	**27.5**
Restructuring and exceptional items	(2.9)	(2.7)
Acquisitions	(11.9)	-
Net cash flow	**(10.8)**	**24.8**
One off and temporary items included in the above:		
West Sussex funding	-	*(15.0)*
Property sales	*(0.4)*	*(6.4)*
Cory working capital requirements	*3.7*	-
Adjusted underlying free cash flow	***7.3***	***6.1***

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Underlying free cashflow reduced from £27.5m to £4.0m due to the non-recurrence of a one-off cash inflow in the prior year relating to the West Sussex contract (£12m in working capital and £3m in interest income), higher proceeds from property sales in the prior year and working capital requirements relating to the Cory acquisition in the current period that are expected to reverse over time.

Capital expenditure (comprising purchases of property, plant and equipment and purchases of intangibles) increased modestly from £18.9m to £19.6m.

Net interest paid increased due to the non-recurrence of the above-mentioned one-off £3m interest income in the prior period relating to the West Sussex contract.

Finance lease principal payments increased marginally due to phasing of the Group's ongoing vehicle replacement programme.

Net Debt and Borrowings

The Group's net debt increased from £505.9m to £533.8m in the period, principally due to the acquisition of Cory Environmental Municipal Services Limited, which had an aggregate impact on net debts in the order of £24m.

As described above, following the end of the period and upon Admission, the Group's debts were refinanced. On a pro forma basis as at 23 September 2016 based on the new capital structure put in place upon Admission, the Group's Underlying net debt (being net debt excluding values recorded in respect of EVP[7]) would have been approximately £270m, representing 2.1 x last twelve months' Underlying EBITDA.

RISKS & UNCERTAINTIES

The principal risks and uncertainties affecting the business activities of Biffa and the industry in which it operates remain those detailed in part II of the prospectus dated 17 October 2016 and which are summarised as follows:

- Biffa operates in a highly regulated industry, and changing regulatory requirements and standards could have an adverse impact on the Group's operations and results
- Economic conditions in the United Kingdom may have an adverse impact on Biffa's operating performance, revenues and results of operations
- Biffa is exposed to risks inherent in long-term fixed-price contracts, in particular in its Municipal and related operations
- Fluctuations in electricity, fuel and other commodity prices could affect Biffa's operating results

[7] The Group is in a legacy dispute with HMRC over landfill tax ('EVP'). As at 23 September 2016 the Group had an assessment for £61.8m in respect of landfill tax that remained unpaid pursuant to a hardship arrangement with HMRC that had been in place since 2012. The refinancing of the Group upon admission expected the Group making a payment of £72m (being the unpaid assessment plus interest) from the proceeds of the Group's IPO. At the same time the Group entered into arrangements with its pre-IPO shareholders such that 90% of any funds recovered following a successful outcome in the dispute will be paid to them. This resulted in the recognition of a loan balance of £42.8m which is excluded from underlying net debt on the basis that any payments due in respect of it will be funded from funds recovered from the dispute and/or anticipated associated corporation tax deductions. The dispute was heard before the tax tribunal in November 2016 and a judgment is expected in 2017 with appeals thereafter possible.

- Biffa faces risks arising from its hedging activities
- Biffa is subject to the risk of increased customer churn
- Competition in the waste management industry could reduce Biffa's revenues and net income
- Biffa's business depends on its reputation and the value of its brand
- Biffa is exposed to risks and liabilities that may not be adequately covered by insurance and increases in insurance costs could reduce the Company's profitability and cashflow
- Biffa faces risks arising from its acquisition strategy
- A significant disruption to Biffa's information technology system, or delay during its migration to new systems, could adversely affect the Company's performance
- A cybersecurity incident could negatively impact Biffa's business and its relationships with customers
- Biffa may fail to identify strategic developments and may be unsuccessful in developing new technologies, or its current technological capabilities may become obsolete
- Biffa's operations expose it to the risk of material health and safety liabilities
- Provisions for landfill site closure costs may be inadequate
- Biffa faces risks related to its landfill gas operations
- Biffa operations are dependent upon it having necessary permits under the applicable regulatory regime, including planning permits and permissions for the development of new sites or facilities, as well as waste management and operator's licences
- Biffa is subject to risks arising from its bonding and other financial security arrangements
- Biffa may be subject to litigation, disputes or other legal proceedings
- Biffa is dependent on its senior personnel
- Biffa may be affected by work stoppages
- Risks related to the Biffa's borrowings
- Biffa is exposed to a number of political, social and macroeconomic risks relating to the United Kingdom's potential exit from the European Union (EU)

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BASIS OF PREPARATION AND DEFINITIONS

The reported financial information has been prepared on the basis of Note 1 of the interim financial statements. The financial information has been prepared on the basis of results for the 26 weeks ended 23 September 2016.

The information presented in this document is to provide an enhanced understanding and comparative basis of the underlying financial performance. Other items (as defined in Note 4) are amounts of income and expense which due to their financial impact and nature of the expected frequency of the events giving rise to them, are separated for internal reporting and analysis of Biffa's results.

Accounting Basis	• Prepared in accordance with IFRS • H117 represents the 26 weeks ended 23 September 2016; H116 represents the 26 weeks ended 25 September 2015; FY16 represents the 52 weeks ended 25 March 2016
Net Revenue	• Statutory revenue excluding landfill tax, unless stated otherwise, 'revenue' refers to statutory revenue
Organic Net Revenue Growth	• The increase/(decrease) in net revenue in the period excluding net revenue from acquisitions completed in the period and net revenue from acquisitions completed in the prior period up to the anniversary of the relevant acquisition date, to the extent such net revenue falls in the current period • Organic net revenue growth can be expressed both as an absolute financial value and as a percentage of prior period revenue
Acquisition Net Revenue Growth	• Acquisition Net Revenue Growth in any period represents the Net Revenue Growth in the relevant period from (i) acquisitions completed in the relevant period and (ii) acquisitions completed in the twelve months ended to the start of the relevant period up to the twelve-month anniversary of the relevant acquisition date (to the extent such Net Revenue falls in the current period). Acquisition Revenue Growth is calculated on the same basis, using revenue in place of Net Revenue.
Acquisition Net Revenue Growth Rate	• Acquisition Net Revenue Growth Rate in any period represents the Acquisition Net Revenue Growth for the period expressed as a percentage of the prior period's Net Revenue. Acquisition Revenue Growth Rate is calculated on the same basis, using revenue in place of Net Revenue
Underlying EBITDA	• Profit before depreciation and amortisation, exceptional items, impact of real discount rate changes to landfill provisions, finance costs and taxation • Divisional underlying EBITDA is stated after allocation of shared services costs
Underlying Operating Profit	• Profit before exceptional items, amortisation of acquisition intangibles, impact of real discount rate changes to landfill provisions, finance costs and taxation • Divisional underlying operating profit is stated after allocation of shared service costs
Return on Capital Employed (ROCE)	Operating Profit excluding exceptional items and impact of real discount rate changes to landfill provisions divided by average of opening and

	closing shareholder's equity plus net debt (including finance leases), pensions and environmental provisions
Return on Operating Assets (ROOA)	Underlying Operating Profit divided by average of opening and closing Property, Plant & Equipment, plus net working capital
Underlying Free Cash Flow	Net increase/(decrease) in cash and cash equivalents excluding dividends, restructuring and exceptional items and acquisitions

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Responsibility statement

We confirm that to the best of our knowledge:

a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
b) The interim management report includes a fair view of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By Order of the Board

Ian Wakelin
Chief Executive Officer
30 November 2016

INDEPENDENT REVIEW REPORT TO BIFFA PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 23 September 2016 which comprises the condensed consolidated interim income statement, condensed consolidated interim statement of compressive income, condensed consolidated statement of changes in equity, condensed consolidated statement of financial position, the condensed consolidated statement of cash flows and related notes to the condensed interim financial information 1 to 17. 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 International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-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 inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and 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 26 weeks ended 23 September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 November 2016

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Condensed Consolidated Interim Income Statement
For the half year ended 23 September 2016

	Notes	26 weeks to 23 September 2016 (unaudited)			26 weeks to 25 September 2015 (unaudited)			52 weeks to 25 March 2016 (audited)		
		Underlying Activities[1] £m	Other Items £m (note 4)	Total £m	Underlying Activities[1] £m	Other Items £m (note 4)	Total £m	Underlying Activities[1] £m	Other Items £m (note 4)	Total £m
Revenue	*3*	497.5	-	497.5	464.3	-	464.3	927.5	-	927.5
Cost of sales		(433.0)	(26.6)	(459.6)	(415.6)	(2.4)	(418.0)	(812.1)	(10.9)	(823.0)
Gross profit		64.5	(26.6)	37.9	48.7	(2.4)	46.3	115.4	(10.9)	104.5
Operating costs	*4*	(24.8)	(0.9)	(25.7)	(16.4)	(0.7)	(17.1)	(53.3)	(7.0)	(60.3)
Operating profit	3	39.7	(27.5)	12.2	32.3	(3.1)	29.2	62.1	(17.9)	44.2
Finance income		2.9	-	2.9	4.5	-	4.5	5.3	-	5.3
Finance charges		(18.7)	-	(18.7)	(25.1)	-	(25.1)	(46.6)	-	(46.6)
Profit/(loss) before taxation	*5*	23.9	(27.5)	(3.6)	11.7	(3.1)	8.6	20.8	(17.9)	2.9
Taxation		(6.8)	5.4	(1.4)	(9.7)	0.5	(9.2)	(11.0)	3.0	(8.0)
Profit/(loss) for the period		17.1	(22.1)	(5.0)	2.0	(2.6)	(0.6)	9.8	(14.9)	(5.1)
Earnings/(loss) per share (pence)[2]	*6*	171.0	(221.0)	(50.0)	20.0	(26.0)	(6.0)	98.0	(149.0)	(51.0)

[1] Underlying Activities excludes other items which are outlined in Note 4.

[2] Earnings per share has been determined on the basis of the pre-IPO capital structure of Wasteholdco 1 Limited.

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Condensed consolidated Interim Statement of Comprehensive Income

For the half year ended 23 September 2016

	Notes	26 weeks ended 23 September 2016 £m (unaudited)	26 weeks ended 25 September 2015 £m (unaudited)	52 weeks ended 25 March 2016 £m (audited)
Loss for the period		(5.0)	(0.6)	(5.1)
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to income:				
Actuarial (loss)/gain on defined benefit pension scheme	*13*	(50.5)	30.5	60.4
Deferred tax relating to items that will not be reclassified subsequently	*5*	8.8	(6.1)	(12.2)
		(41.7)	24.4	48.2
Other comprehensive (loss)/income for the period, net of income tax		(41.7)	24.4	48.2
Total comprehensive (loss)/income for the period		(46.7)	23.8	43.1

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Condensed consolidated Interim Statement of Financial Position

As at 23 September 2016

	Notes	As at 23 September 2016 £m (unaudited)	As at 25 September 2015 £m (unaudited)	As at 25 March 2016 £m (audited)
Assets				
Non-current assets				
Goodwill	7	69.6	57.4	64.4
Other intangible assets		223.2	227.3	224.9
Property, plant and equipment	9	313.6	283.5	292.9
Funds on long term deposit		9.8	8.0	8.0
Deferred tax assets		24.7	21.2	16.9
Retirement benefit surplus		-	0.8	29.5
		640.9	598.2	636.6
Current assets				
Inventories		9.2	7.4	8.2
Trade and other receivables		200.8	202.4	179.3
Financial assets		15.7	12.9	17.5
Cash and cash equivalents		95.2	114.3	106.0
		320.9	337.0	311.0
Current liabilities				
Borrowings		(27.5)	(26.9)	(107.6)
Derivative financial liabilities	10	(1.3)	(2.8)	(2.1)
Trade and other payables		(242.4)	(243.4)	(230.0)
Current tax liabilities		(0.9)	(2.5)	(2.0)
Provisions	11	(13.2)	(17.9)	(11.6)
Total current liabilities		(285.3)	(293.5)	(353.3)
Net current assets/(liabilities)		35.6	43.5	(42.3)
Non-current liabilities				
Borrowings		(601.5)	(572.6)	(504.3)
Trade and other payables		(0.1)	(0.2)	(0.1)
Non-current provisions	11	(100.3)	(84.8)	(86.5)
Retirement benefit obligations	13	(17.9)	-	-
Total non-current liabilities		(719.8)	(657.6)	(590.9)
Net(liabilities)/assets		(43.3)	(15.9)	3.4
Equity				
Called up share capital		-	-	-
Retained (deficit)/earnings		(43.3)	(15.9)	3.4
Total equity (deficit) /surplus attributable to shareholders		(43.3)	(15.9)	3.4

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Condensed consolidated Statement of Changes in Equity

For the half year ended 23 September 2016

	Called up share capital £m	Retained earnings/ (deficit) £m	Total equity £m
As at 25 March 2016	-	3.4	3.4
Profit for the period	-	(5.0)	(5.0)
Other comprehensive income for the period	-	(41.7)	(41.7)
Total comprehensive income for the period	-	(46.7)	(46.7)
As at 23 September 2016 *(unaudited)*	-	(43.3)	(43.3)

	Called up share capital £m	Retained earnings/ (deficit) £m	Total equity £m
As at 27 March 2015	-	(39.7)	(39.7)
Profit for the period	-	(0.6)	(0.6)
Other comprehensive income for the period	-	24.4	24.4
Total comprehensive income for the period	-	23.8	23.8
As at 25 September 2015 *(unaudited)*	-	(15.9)	(15.9)

	Called up share capital £m	Retained earnings/ (deficit) £m	Total equity £m
As at 27 March 2015	-	(39.7)	(39.7)
Profit for the period	-	(5.1)	(5.1)
Other comprehensive income for the period	-	48.2	48.2
Total comprehensive income for the period	-	(43.1)	(43.1)
As at 25 March 2016 *(audited)*	-	3.4	3.4

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Condensed consolidated Statement of Cash Flows

	Notes	**26 weeks ended 23 September 2016 £m (unaudited)**	**26 weeks ended 25 September 2015 £m (unaudited)**	**52 weeks ended 25 March 2016 £m (audited)**
Cash flows from operating activities				
Cash generated from operations	*12*	52.8	65.6	120.0
Restructuring and exceptional costs		(2.9)	(2.7)	(5.7)
Net cash from operating activities		49.9	62.9	114.3
Cash flows from investing activities				
Purchases of property, plant and equipment		(16.9)	(16.9)	(37.8)
Purchases of intangible assets		(2.7)	(2.0)	(4.6)
Acquisitions		(11.9)	-	(8.7)
Proceeds from the sale of property, plant and equipment		0.4	6.4	7.1
Interest received		0.1	3.8	4.0
Net cash used in investing activities		(31.0)	(8.7)	(40.0)
Cash flows from financing activities				
Interest paid		(15.0)	(15.7)	(31.5)
Finance lease principal payments		(14.9)	(13.7)	(26.3)
Net cash flow used in financing activities		(29.9)	(29.4)	(57.8)
Taxation received		0.2	-	-
Net (decrease)/increase in cash and cash equivalents		(10.8)	24.8	16.5
Cash and cash equivalents at the beginning of the period		106.0	89.5	89.5
Cash and cash equivalents at the end of the period		95.2	114.3	106.0

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Notes to the Condensed Interim Financial Information

1. Basis of preparation

This condensed consolidated interim financial information for 26 weeks ended 23 September 2016 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34. “Interim Financial Reporting” as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the prospectus dated 17 October 2016 which is available on the Company website, and has been prepared in accordance with the IFRSs as adopted by the European Union.

The condensed consolidated interim financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory financial statements for the 52 weeks ended 25 March 2016 were approved by the Board of Directors on 30 September 2016 and delivered to the Registrar of Companies. The independent auditor’s report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited. The condensed group financial statements have been prepared on the basis of the accounting policies set out in the prospectus. The information has been prepared on the basis of Wasteholdco 1 Limited as Biffa plc in its current form did not exist at the balance sheet date. Merger accounting will be adopted subsequent to the listing of Biffa plc on the London stock exchange. The results presented are no different to those of Biffa plc if Biffa plc had existed in its current form at the balance sheet date.

1.1 Going concern basis

The Group meets its day to day working capital requirements through its bank facilities. Subsequent to the balance sheet date, on 20 October 2016, the Group’s new ultimate parent company, Biffa plc, was admitted to the London Stock Exchange. At the same time, the Group’s Senior and Super Senior facilities were repaid in full and new debt drawn down. The new debt results in lower leverage, lower debt service costs and includes a £100 million undrawn revolving credit facility. The issue of the new shares and new debt structure have all resulted in the balance sheet returning to a net asset position. Further details are included in note 16. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. As a consequence, and having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

2. Accounting policies

Except as described below, the accounting policies and key assumptions and sources of estimation uncertainty applied are consistent with those as described in the prospectus.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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The following new standards, amendments to standards and interpretations are mandatory for the first time for the 52 weeks beginning 26 March 2016, but have no material impact on the group:

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Improvements to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[1]
Amendments to IAS 27	Equity method in separate financial statements[1]

[1]Effective for periods beginning on or after 1 January 2016, with earlier application permitted.

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 1 *Disclosure Initiatives*
The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 27 *Equity Method in Separate Financial Statements*
The amendment to IAS 27 allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Directors do not anticipate that the application of these amendments to IAS 27 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle
The Annual Improvement to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal Group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The Directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

3. Segmental information

The Group is managed by type of business and is organised into four operating divisions. These divisions represent the business segments in which the Group reports its primary segment information. All trading activity and operations are in the United Kingdom and there is therefore no secondary reporting format by geographical segment. The Group's segmental results are as follows: Revenue between and within segments is eliminated on consolidation.

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Revenue			
Industrial and Commercial	**261.3**	**239.9**	479.2
Municipal	**89.7**	**78.7**	161.1
Resource Recovery and Treatment	**104.5**	**102.3**	198.4
Energy	**42.0**	**43.4**	88.8
	497.5	**464.3**	927.5

All revenue is with external third parties. There is no single customer that accounts for more than 10% of Group revenue (26 weeks to 25 September 2015: none, 52 weeks to 25 March 2016: none).

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Underlying EBITDA[1]			
Industrial and Commercial	**33.6**	**25.3**	50.1
Municipal	**11.6**	**10.7**	21.4
Resource Recovery and Treatment	**16.3**	**9.1**	21.4
Energy	**17.9**	**18.5**	40.9
Group costs	**(8.3)**	**(1.8)**	(11.9)
Underlying EBITDA[1]	**71.0**	**61.8**	121.9
Depreciation and amortisation	**(31.4)**	**(29.5)**	(59.8)
Underlying Operating Profit[2]	**39.7**	**32.3**	62.1
Exceptional items (note 4)	**0.2**	**(0.6)**	(3.5)
Impact of real discount rate changes to landfill provisions	**(20.3)**	**4.9**	0.4
Amortisation of acquisition intangibles	**(7.4)**	**(7.4)**	(14.8)
Operating Profit	**12.2**	**29.2**	44.2
Finance income	**2.9**	**4.5**	5.3
Finance charges	**(18.7)**	**(25.1)**	(46.6)
(Loss)/profit before taxation	**(3.6)**	**8.6**	2.9

[1]Underlying EBITDA represents earnings before interest, taxation, depreciation, amortisation, exceptional items and the impact of real discount rate changes to landfill provisions
[2]Presented before other items as disclosed in Note 4.

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Underlying operating profit			
Industrial and Commercial	**21.3**	**14.4**	27.3
Municipal	**5.2**	**4.5**	9.0
Resource Recovery and Treatment	**7.3**	**1.0**	5.4
Energy	**14.8**	**15.2**	34.5
Group costs	**(8.9)**	**(2.8)**	(14.1)
	39.7	**32.3**	62.1

Segment underlying EBITDA represents the underlying profit earned by each segment without allocation of the share of depreciation and amortisation, exceptional items, the impact of real discount rate changes to landfill provisions, finance costs and income tax expense. Underlying operating profit recognises the impact of depreciation and amortisation excluding the amortisation of acquisition intangibles. These measures are both reported to the Board for the purpose of resource allocation and assessment of segment performance.

The exceptional (credits)/costs of £(0.2) million (26 weeks to 23 September 2016: £0.7 million, 26 weeks to 25 September 2015: £3.5 million) are disclosed in note 4.

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Tangible and intangible assets			
Industrial and Commercial	**142.8**	**122.0**	128.7
Municipal	**69.5**	**60.3**	49.8
Resource Recovery and Treatment	**81.5**	**76.5**	79.1
Energy	**197.8**	**208.8**	203.7
Shared services and corporate	**45.1**	**43.5**	56.5
	536.7	**511.1**	517.8

Capital expenditure	26 weeks ended 23 September 2016 £m (unaudited)	26 weeks ended 25 September 2015 £m (unaudited)	52 weeks ended 25 March 2016 £m (audited)
Industrial and Commercial	**26.8**	**18.3**	36.9
Municipal	**14.7**	**8.2**	17.8
Resource Recovery and Treatment	**5.9**	**6.7**	18.8
Energy	**2.3**	**1.9**	3.6
Shared services and corporate	**7.7**	**2.1**	6.1
	57.4	**37.2**	83.2

Capital expenditure comprises additions to intangible assets and property, plant and equipment.

Depreciation and amortisation	26 weeks ended 23 September 2016 £m (unaudited)	26 weeks ended 25 September 2015 £m (unaudited)	52 weeks ended 25 March 2016 £m (audited)
Industrial and Commercial	**12.3**	**10.9**	22.8
Municipal	**6.4**	**6.2**	12.4
Resource Recovery and Treatment	**9.0**	**8.1**	16.0
Energy	**3.1**	**3.3**	6.4
Shared services and corporate	**0.6**	**1.0**	2.2
	31.4	**29.5**	59.8
Amortisation of acquisition intangibles	**7.4**	**7.4**	14.8
Total	**38.8**	**36.9**	74.6

Depreciation and amortisation relates to the write down of both intangible and tangible fixed assets over their estimated useful economic lives. Amortisation of acquisition intangibles is disclosed separately in line with the segmental underlying operating profit.

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4. Other items

	26 weeks ended 23 September 2016 £m (unaudited)	26 weeks ended 25 September 2015 £m (unaudited)	52 weeks ended 25 March 2016 £m (audited)
Exceptional items:			
Acquisition related costs	**0.6**	**0.1**	0.4
Corporate restructuring costs	**-**	**1.5**	5.1
Onerous contracts	**(1.1)**	**(1.8)**	(3.5)
Strategy related costs	**0.3**	**0.8**	1.5
	(0.2)	**0.6**	3.5
Impact of real discount rate changes to landfill provisions	**20.3**	**(4.9)**	(0.4)
Amortisation of acquisition intangibles	**7.4**	**7.4**	14.8
	27.5	**3.1**	17.9
Taxation impact of other items	**5.4**	**0.5**	3.0

Acquisition related costs
Acquisition related costs represents costs incurred with the acquisition of businesses and are included in operating costs.

The £0.4 million of acquisition related expenditure in the 52 weeks ended 25 March 2016 includes £0.3 million in relation to the acquisition of PHS Chemical Waste Limited and the trading assets of Enviroco Limited's Sheffield-based hazardous waste business. The acquisition related costs in the 26 weeks to 23 September 2016 relate to the acquisition of Cory Environmental Municipal Services Limited.

Corporate restructuring costs
Corporate restructuring costs are principally costs directly related to the Group's admission to the London Stock Exchange in October 2016 and have been recognised in operating costs. There were no charges in the six months prior to the admission.

Onerous contracts
Onerous contract costs reflect all movement disclosed in cost of sales on loss making contract provisions within the Municipal and Resource Recovery and Treatment divisions.

Strategy related costs
Strategy related costs relate to discontinued operations, any major business turnaround and the Group's system replacement project, Project Fusion. The costs for the 26 weeks ended 23 September 2016 relate in total to Project Fusion (£0.5 million in the 52 weeks ended 25 March 2016). All strategy related costs are included in operating costs.

Amortisation of acquisition intangibles
Amortisation of acquisition intangibles represents the amount amortised by the Group in each period in respect of intangibles from prior acquisitions, which amounts are reported separately in cost of sales from the Group's depreciation and amortisation charges for each period presented.

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The impact of real discount rate changes to landfill provisions from 3.53% at 25 March 2016 to 2.1% at 23 September 2016 is included in cost of sales.

The tax impact of other items is calculated as 20% (20%: 2015) of the expenses allowable in calculating the taxable profit.

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Segmental exceptional items:			
Industrial and Commercial	**0.2**	**0.1**	0.3
Municipal	**(0.3)**	**(0.5)**	(1.0)
Resource Recovery and Treatment	**(0.5)**	**(0.5)**	(1.5)
Energy	**(0.1)**	**0.3**	0.7
Group costs	**0.5**	**1.2**	5.0
	(0.2)	**0.6**	3.5

Operating costs are detailed as follows:

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Operating costs			
Distribution costs	**9.3**	**8.4**	17.0
Administrative expenses	**15.5**	**8.0**	36.3
	24.8	**16.4**	53.3

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5. Income tax recognised in profit or loss

	26 weeks ended 23 September 2016 £m (unaudited)	26 weeks ended 25 September 2015 £m (unaudited)	52 weeks ended 25 March 2016 £m (audited)
Current tax:			
In respect of the current period	**0.1**	**1.1**	1.1
Adjustment in respect of prior periods	**(0.4)**	**(1.1)**	(0.7)
	(0.3)	**-**	0.4
Deferred tax:			
Adjustment in respect of the current period	**(0.2)**	**1.5**	(0.1)
Adjustment in respect of prior periods	**1.0**	**6.0**	6.0
Adjustments attributable to changes in tax rates and laws	**0.9**	**1.7**	1.7
	1.7	**9.2**	7.6
Total tax charge	**1.4**	**9.2**	8.0

Corporation tax is calculated at 20% (52 weeks to 25 March 2016: 20%) of the estimated assessable (loss)/profit for the period. The credit for the period can be reconciled to the (loss)/profit per the statement of profit or loss as follows:

	26 weeks ended 23 September 2016 £m (unaudited)	26 weeks ended 25 September 2015 £m (unaudited)	52 weeks ended 25 March 2016 £m (audited)
(Loss)/profit on ordinary activities before tax	**(3.6)**	**8.6**	2.9
(Loss)/profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 20%	**(0.7)**	**1.7**	0.6
Expenses not deductible for tax purposes	**0.8**	**1.6**	0.6
Non-taxable income	**(0.2)**	**(0.7)**	(0.3)
Adjustment in respect of prior periods	**0.6**	**4.9**	5.4
Adjustments attributable to changes in tax rates and laws	**0.9**	**1.7**	1.7
Total taxation	**1.4**	**9.2**	8.0

The income tax expense is based on an effective annual tax rate estimated individually for each tax jurisdiction in which the Group operates and applied to the pre-tax profit, excluding exceptional items, of the relevant entity. The effective tax rate on underlying profit before tax is 28% (25 September 2015: 83%).

The Finance Act 2016 paragraphs 4 and 5, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 17% effective from 1 April 2020, has been substantively enacted. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at the balance sheet date have been calculated at the rate at which the relevant balance is expected to be recovered or settled which is 17%.

6. Earnings per share

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Earnings for the purposes of basic earnings per share being net profit attributable to owners of Wasteholdco 1 Limited	**(5.0)**	**(0.6)**	(5.1)
Earnings for the purposes of diluted earnings per share	**(5.0)**	**(0.6)**	(5.1)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**10,000,000**	**10,000,000**	10,000,000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**10,000,000**	**10,000,000**	10,000,000

From continuing operations

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Net profit attributable to equity holders of the parent	**(5.0)**	**(0.6)**	(5.1)
Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations	**(5.0)**	**(0.6)**	(5.1)
Earnings from continuing operations for the purpose of diluted earnings per share excluding discontinued operations	**(5.0)**	**(0.6)**	(5.1)

The above earnings per share has been determined on the basis of the pre-IPO capital structure of Wasteholdco 1 Limited.

7. Goodwill

	Total £m
Goodwill	
As at 25 March 2016	64.9
Additions	5.2
As at 23 September 2016	70.1
Amortisation:	
As at 25 March 2016	(0.5)
Impairment Charge	-
As at 23 September 2016	**(0.5)**
Net book amount:	
As at 23 September 2016	69.6
As at 25 March 2016	64.4

8. Acquisitions

On 8 June 2016, the Group acquired 100% of the issued share capital of Cory Environmental Municipal Services Limited. Cory Environmental Municipal Services Limited is a waste management business servicing commercial customers in the South East and South West of England and municipal customers in Cornwall, Lincoln, Rutland and Tunbridge Wells. Cory Environmental Municipal Services Limited was acquired in order to increase the Group's commercial and municipal customer base.

The preliminary amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Preliminary total £m
Property, plant and equipment	9.3
Intangible assets	3.7
Inventory	0.2
Debtors	4.6
Cash and cash equivalents	2.0
Deferred tax asset	0.9
Creditors	(3.4)
Borrowings	(8.3)
Provisions	(0.4)
Total net assets	8.6
Goodwill	4.9
Total consideration	13.5
Satisfied by:	
Cash	13.5
Total consideration transferred	13.5
Net cash outflow arising on acquisition:	
Cash consideration	13.5
Less: cash and cash equivalent balances acquired	(2.0)
	11.5

The fair value of the debtors includes receivables due from trade debtors with a fair value of £1.4 million and a gross contractual value of £1.6 million. The best estimate at acquisition date of the contractual cash flows not to be collected is £0.2 million.

No contingent liabilities were identified at the acquisition date.

Acquisition-related costs (included in administrative expenses) amount to £0.2 million.

Cory Environmental Municipal Services Limited contributed £7.8 million revenue and £0.1 million to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of Cory Environmental Municipal Services Limited had been completed on the first day of the financial year, group revenues for the period would have increased by £11.7 million and group profit would have increased by £0.2 million.

The preliminary goodwill of £4.9 million arising from the acquisition represents the increase in future waste tonnages and the promotion of the Group's strategy to invest in waste processing and treatment assets. None of the goodwill is expected to be deductible for income tax purposes.

Other Acquisitions
On 1 June 2016, the Group acquired the trade waste collection business of McGrath Bros Waste Control Limited for cash consideration of £0.5 million. Tangible assets with a fair value of £0.3 million were acquired, resulting in goodwill recognised of £0.2 million. This acquisition was merged with existing locations on the first day post acquisition.

9. Property, plant and equipment

During the 26 weeks ended 23 September 2016, the Group acquired assets including new leases, but excluding property, plant and equipment acquired through business combinations, with a cost of £41.8 million (25 September 2015: £36.1 million).

Assets with a net book value of £1.6 million were disposed of by the Group during the 26 weeks ended 23 September 2016 (25 September 2015: £4.9 million) resulting in a net loss on disposal of £nil million (25 September 2015: profit £2.4 million).

The Group's capital commitments at 23 September 2016 were £18.2 million (25 September 2015: £8.8 million).

10. Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including capital risk management, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programmes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

The condensed interim financial statements do not include all financial risk management information and disclosures set out in the prospectus and hence they should be read in conjunction with the Group's prospectus. There have been no changes in the risk management policies since the year end.

Liquidity risk

During the period the Group has extended the repayment date of the Super Senior Facility to 30 September 2017. Subsequent to the period ended 23 September 2016, at the same time as its IPO, the Group has fully repaid the Super Senior and Senior facilities, further details are given in note 16.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data

There have been no transfers between these categories in either the current or preceding period.

The following table presents the Group's financial assets and liabilities at fair value at 23 September 2016:

	Level 1 £m (unaudited)	Level 2 £m (unaudited)	Level 3 £m (unaudited)	Total £m (unaudited)
Assets				
Service concession arrangements	-	-	-	-
	-	-	-	-

	Level 1 £m (unaudited)	Level 2 £m (unaudited)	Level 3 £m (unaudited)	Total £m (unaudited)
Liabilities				
Derivatives	-	1.3	-	1.3
	-	1.3	-	1.3

The following table presents the Group's financial assets and liabilities at fair value at 25 September 2015:

	Level 1 £m (unaudited)	Level 2 £m (unaudited)	Level 3 £m (unaudited)	Total £m (unaudited)
Assets				
Service concession arrangements	-	0.1	-	0.1
	-	0.1	-	0.1

	Level 1 £m (unaudited)	Level 2 £m (unaudited)	Level 3 £m (unaudited)	Total £m (unaudited)
Liabilities				
Derivatives	-	2.8	-	2.8
	-	2.8	-	2.8

The following table presents the Group's financial assets and liabilities at fair value at 25 March 2016:

	Level 1 £m (audited)	Level 2 £m (audited)	Level 3 £m (audited)	Total £m (audited)
Assets				-
Service concession arrangements	-	-	-	-
	-	-	-	-

	Level 1 £m (audited)	Level 2 £m (audited)	Level 3 £m (audited)	Total £m (audited)
Liabilities				-
Derivatives	-	2.1	-	2.1
	-	2.1	-	2.1

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Fair value measurement
In accordance with IFRS 13, disclosure is required for financial instruments that are measured in the Group balance sheet at fair value. The fair value of trade and other receivables, cash and cash equivalents, borrowings and trade and other payables approximates to their carrying amounts.

Valuation techniques and assumptions applied in determining fair values of each class of asset or liability are consistent with those used as at 25 March 2016 and reflect the current economic environment. The fair value measurements of the derivatives are classified as Level 2 in the fair value hierarchy as defined by IFRS 13.

11. Provisions

	Landfill restoration & aftercare £m	Insurance £m	Other £m	Total £m
As at 25 March 2016	**66.9**	**12.2**	**19.0**	**98.1**
Acquired	-	-	0.4	0.4
Utilised	(4.7)	(0.7)	(0.6)	(6.0)
Impact of change in real discount rate charged to profit and loss account	20.3	-	-	20.3
Charged/(credited) to profit and loss account	4.1	0.6	(1.2)	3.5
Unwinding of discount	1.1	-	-	1.1
Transfers from fixed/other assets	(3.9)	-	-	(3.9)
As at 23 September 2016	**83.8**	**12.1**	**17.6**	**113.5**

Provisions have been analysed between current and non-current as follows:

	As at 23 September 2016 £m (unaudited)
Current	**13.2**
Non-current	**100.3**
	113.5

Landfill restoration and aftercare
As part of its normal activities, the Group undertakes to restore its landfill sites and to maintain the sites and control leachate and methane emissions from the sites. Provision is made for these anticipated costs.

Maintenance and leachate and methane control costs are incurred as each site is filled and for a number of years post closure. Long-term aftercare provisions included in Landfill restoration and aftercare provisions have been discounted at a rate of 2.1% (25 March 2016: 3.53%)

Aftercare costs are incurred as each site is filled and for a number of years post closure. This period can vary significantly from site to site, depending upon the types of waste landfilled and the speed at which it decomposes, the way the site is engineered and the regulatory requirements specific to the site.

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The associated outflows are estimated to arise over a period of up to 60 years depending on the date of each site closure.

Insurance

The associated outflows are estimated to arise over a period of up to five years from the balance sheet date.

Other

Other provisions include a provision for dilapidations for £10.6 million (52 weeks ended 25 March 2016: £10.5 million, 26 weeks ended 25 September 2015: £10.2 million) and £4.0 million (52 weeks ended 25 March 2016: £5.0 million, 26 weeks ended 25 September 2015: £6.7 million) relating to onerous contracts. The associated outflows are estimated to arise over a period of up to 20 years from the balance sheet date.

12. Cash flows from operations

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Loss for the period	**(5.0)**	**(0.6)**	(5.1)
Adjustments for:			
Finance income	**(2.9)**	**(4.5)**	(5.3)
Finance charges	**18.7**	**25.1**	46.6
Taxation	**1.4**	**9.2**	8.0
Operating profit	**12.2**	**29.2**	44.2
Exceptional items	**(0.2)**	**0.7**	3.5
Amortisation of intangibles	**8.1**	**7.7**	16.1
Depreciation of property, plant and equipment	**30.7**	**29.1**	59.0
Profit on disposal of fixed assets	**-**	**(2.4)**	(2.3)
(Increase)/decrease in inventories	**(0.8)**	**0.5**	(0.3)
(Increase)/decrease in debtors	**(22.4)**	**(12.2)**	17.9
Increase in creditors	**6.0**	**18.0**	2.9
Decrease/(increase) in financial asset	**1.8**	**0.7**	(3.9)
Increase/(decrease) in provisions	**17.4**	**(5.7)**	(17.1)
Total cash generated from operations	**52.8**	**65.6**	120.0

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Reconciliation of net cash flow to movement in debt

	26 weeks ended 23 September 2016 £m (unaudited)	**26 weeks ended 25 September 2015 £m (unaudited)**	52 weeks ended 25 March 2016 £m (audited)
Net (decrease)/increase in cash and cash equivalents	**(10.8)**	**24.8**	16.5
Net (increase) in borrowings	**(17.1)**	**(5.6)**	(18.0)
Movement in net debt in the period	**(27.9)**	**19.2**	(1.5)
Net debt at start of period	**(505.9)**	**(504.4)**	(504.4)
Net debt at end of period	**(533.8)**	**(485.2)**	(505.9)

13. Pension and post retirement benefits

Defined benefit schemes

The amounts recognised in the balance sheet are determined as follows:

	As at 23 September 2016 £m (unaudited)	As at 25 March 2016 £m (audited)
Present value of funded defined benefit obligation	**(539.7)**	(368.2)
Fair value of funded plan assets	**521.8**	397.7
Net (liability)/asset arising from defined benefit obligation	**(17.9)**	29.5

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	As at 23 September 2016 £m (unaudited)
Benefit obligation at beginning of period	**368.2**
Cory defined benefit obligation acquired	**12.7**
Service cost	**0.4**
Interest cost	**7.2**
Contributions by plan participants	**0.1**
Net remeasurement (gains)/losses – financial	**156.2**
Net remeasurement (gains)/losses – demographic	**-**
Benefits paid	**(5.1)**
Past service cost	**-**
Benefit obligation at end of period	**539.7**

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Reconciliation of opening and closing balances of the fair value of plan assets

	As at 23 September 2016 £m (unaudited)
Fair value of plan assets at beginning of period	**397.7**
Cory defined benefit plan assets acquired	**14.1**
Interest income on scheme assets	**7.8**
Return on assets, excluding interest income	**104.2**
Contributions by employers	**3.3**
Contributions by plan participants	**0.1**
Benefits paid	**(5.1)**
Scheme administrative cost	**(0.3)**
Fair value of plan assets at end of period	**521.8**

The movement in the pension balance in the 6 months ended 23 September 2016 largely reflects the large fall in the discount rate by 1.5% per annum. The assets have performed well mainly due to the interest rate hedging and the large fall in gilt yields over the previous six months.

14. Related party transactions

The nature of related parties as disclosed in the consolidated financial statements for the Group as at and for the 52 weeks ended 25 March 2016 has not changed. Further, there have been no related party transactions in the 26 weeks to 23 September 2016.

15. Contingent liabilities

The Group must satisfy the financial security requirements of environmental agencies in order to ensure that it is able to discharge the obligations in the licences or permits that the Group holds for its landfill sites. The Group satisfies these financial security requirements by providing financial security bonds. The amount of financial security which is required is determined in conjunction with the regulatory agencies, as is the method by which assurance is provided. The Group has existing bond arrangements in England and Wales of approximately £81.9 million outstanding at 23 September 2016 (25 March 2016: £84.3 million, 25 September 2015: £85.4 million) in respect of the Group's permitted waste activities where the Group has obligations under the Environment Agency's "fit and proper person" test to make adequate financial provision in order to undertake those activities. Additionally the Group has bonds to a value of £21.2 million (25 March 2016: £10.4 million, 23 September 2015: £10.2 million) in connection with security for performance of local authority contracts. No liability is expected to arise in respect of these bonds.

The Group is engaged in a dispute with HMRC in relation to the landfill tax treatment of certain materials used in the engineering of landfill sites from September 2009 to May 2012. The Group has an assessment for Landfill tax of £62m plus interest. At the date of the signing of these interim financial statements the ultimate outcome is not certain, however the Group expects to continue to dispute HMRC's interpretation, and having taken independent professional advice, does not reasonably expect a liability to be probable. The legal process is still on-going, however, at this point, as management believe a liability is not probable, no provision has been made in these interim financial statements. For further details on the dispute with HMRC, please see note 16.

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16. Post balance sheet events

On 19 October 2016, the ownership of the Group was transferred to a newly incorporated entity, Biffa plc. As part of the IPO the issued share capital of the Company increased to 250,000,000 £0.01 Ordinary Shares. On 20 October 2016, the shares of Biffa plc were admitted onto the Premium List of the London Stock Exchange. At the same time, the Group's existing Senior and Super Senior debt was repaid in full and a new £200 million facility was drawn down. This new facility is repayable on 20 October 2021 and includes standard leverage and interest cover covenants for a facility of this type. The facility also includes an undrawn £100m RCF.

As a consequence of the admission to the London Stock Exchange, a payment of £22 million was made to key senior members of management in relation to incentive plans which crystallised upon the admission.

As detailed in Note 15, the Group is engaged in an ongoing dispute with HMRC in relation to the landfill tax treatment of certain materials used in the engineering of landfill sites from September 2009 to May 2012. On 25 October 2016 the Landfill Tax assessment of £62 million was paid to HMRC from the proceeds of the IPO. The interest on this balance remains to be paid to HMRC. Prior to admission to the London Stock Exchange, the Company issued (i) EVP preference shares to those holders of A Ordinary shares in the Company who elected to receive such preference shares in part settlement of amounts owed to them pursuant to the Junior Loan and (ii) EVP Return Letters to the holders of B2 Ordinary shares (including certain members of the Group's management). The purpose of the EVP Preference shares and EVP Return Letters is to give the entitlement to the majority of any funds subsequently recovered in the event of a successful outcome from the EVP proceedings to those shareholders who suffered the corresponding value dilution upon admission. The EVP preference shares will be classified as a financial liability initially at fair value and subsequently at amortised cost. Accordingly, the Group will record a prepayment in respect of the £62 million paid to HMRC (and subsequently in respect of the interest once paid), a liability in respect of the EVP preference share of approximately £43 million and record a charge and accrual of approximately £13 million in respect of the EVP Return Letters.

Over the next two years, the Group expects to take an imputed interest charge on the EVP preference shares of approximately £5 million in total, to increase the liability to approximately £48 million plus an accrual of £13 million. If the Group is successful in the EVP proceedings and recovers the amount prepaid to HMRC, it anticipates settling the £13 million accrual and liability of approximately £52 million (following a further charge of approximately £4 million) in cash, with the remaining amount of approximately £6 million being used for the reduction of the Group's net debt. If the Group is unsuccessful in the EVP proceedings and does not recover the amount prepaid to HMRC, it anticipates taking a charge of approximately £72 million in respect of the prepayment amount. Simultaneously, £52 million (£11 million accrual and £41 million of the EVP preference share liability) will be released, leaving an accrual of approximately £10 million that the Group will settle in cash. At the same time the write off of the EVP prepayment is expected to generate tax losses with an expected future benefit of approximately £11 million.

On 1 November 2016, Biffa Waste Services Limited, a subsidiary of Wasteholdco 1 Limited completed the acquisition of the business of Blakeley's Recycling Limited for cash consideration of £2.4 million.

The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Provisional total £m
Property, plant and equipment	2.2
Total net assets	2.2
Goodwill	0.4
Total consideration	2.6
Satisfied by:	
Cash	2.6
Total consideration transferred	2.6
Net cash outflow arising on acquisition:	
Cash consideration	2.6
Less: cash and cash equivalent balances acquired	-
	2.6

17. Website policy

The Directors are responsible for the maintenance and integrity of the Company's website. Information published on the website is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.