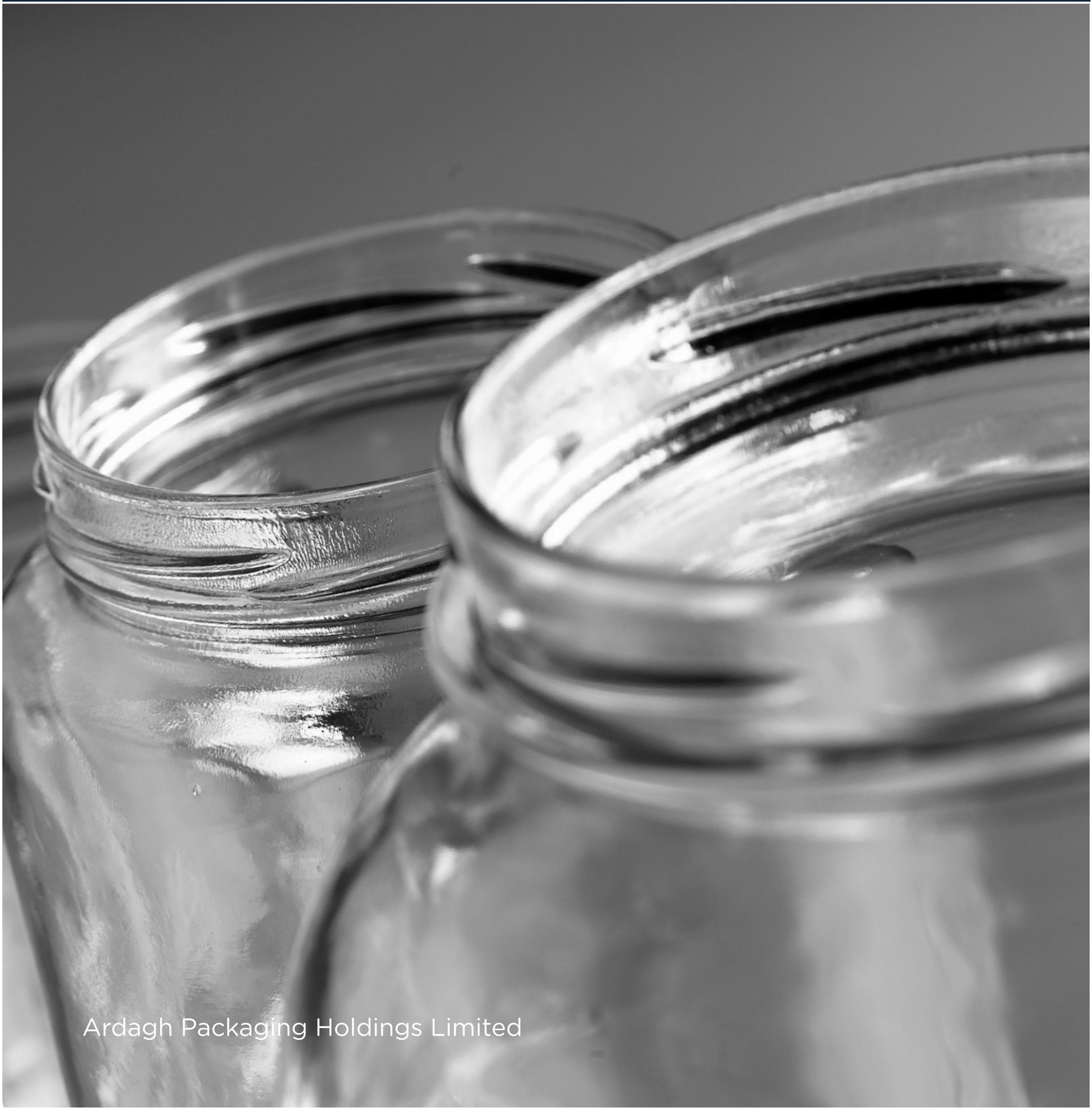
ArdaghGroup

Interim Report

For the three months ended 31 March 2016



Ardagh Packaging Holdings Limited

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As used herein, “APHL” or the “Company” refer to Ardagh Packaging Holdings Limited, and “we”, “our”, “us”, “Ardagh” and the “Group” refer to APHL and its consolidated subsidiaries, unless the context requires otherwise.

Forward-Looking Statements

The Group and its representatives may from time to time make written or verbal statements which, to the extent that they are not historical fact, constitute “forward-looking statements”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Any statements regarding past trends or activities should not be taken as a representation that such activities or trends will continue in the future.

The Group undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written or verbal forward-looking statements attributable to the Group or to persons acting on the Group’s behalf are expressly qualified by the cautionary statements referred to above.

SELECTED FINANCIAL INFORMATION

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the unaudited condensed consolidated interim financial statements and the related notes thereto included in this document.

The following table sets forth summary consolidated financial information for the Group.

	Unaudited - Reported (in € millions, except percentages and ratios)		
	Three months ended		Year ended
	31 March 2016	31 March 2015	31 March 2016
Income statement data			
Revenue	1,218	1,207	5,210
EBITDA[1]	217	204	947
Depreciation and amortisation	(98)	(90)	(411)
Exceptional items[2]	(5)	(19)	(80)
Finance expense[3]	(92)	(89)	(356)
Profit before tax	22	6	100
Income tax charge	(17)	(16)	(44)
Profit/(loss) for the period	5	(10)	56
Cash flow data			
Operating cash flow[4]	29	8	721
Free cash flow[5]	(43)	(71)	346
Other data			
EBITDA margin[1]	17.8%	16.9%	18.2%
Debt service costs[6]	83	80	327
Capital expenditure[7]	64	99	269
Ratio of EBITDA to debt service costs[1] [6]	2.6x	2.6x	2.9x
Ratio of net debt to EBITDA[1] [10]			5.0x

	Unaudited – Reported (in € millions)		
	31 March 2016	31 December 2015	31 March 2015
Balance sheet data			
Cash[8]	485	550	155
Total assets	6,225	6,335	6,424
Total borrowings[9]	5,273	5,440	5,519
Total equity	(1,350)	(1,360)	(1,515)
Net debt[10]	4,763	4,842	5,209

All footnotes are on page 6 of this document.

OPERATING AND FINANCIAL REVIEW

Operating Results

The consolidated results for the three months ended 31 March 2016 and 2015 and for the year ended 31 March 2016 are presented below.

	Unaudited (in € millions, except percentages and ratios)		
	Three months ended		Year ended
	31 March 2016	31 March 2015	31 March 2016
Revenue			
Glass Packaging North America	422	398	1,731
Glass Packaging Europe	321	337	1,436
Metal Packaging	475	472	2,043
Group	**1,218**	**1,207**	**5,210**
EBITDA(1)			
Glass Packaging North America	85	77	354
Glass Packaging Europe	63	63	284
Metal Packaging	69	64	309
Group	**217**	**204**	**947**
EBITDA Margin(1)			
Glass Packaging North America	20.1%	19.3%	20.5%
Glass Packaging Europe	19.6%	18.7%	19.8%
Metal Packaging	14.5%	13.6%	15.1%
Group	**17.8%**	**16.9%**	**18.2%**

All footnotes are on page 6 of this document.

Financial Review

Bridge of 2015 Revenue to 2016 Revenue

	Glass Packaging North America €m	Glass Packaging Europe €m	Glass Packaging Total €m	Metal Packaging €m	Group €m
	Three months ended 31 March (unaudited)				
Reported revenue 2015	**398**	**337**	**735**	**472**	**1,207**
Organic	1	(14)	(13)	3	(10)
FX translation	23	(2)	21	-	21
Reported revenue 2016	**422**	**321**	**743**	**475**	**1,218**

Bridge of 2015 EBITDA to 2016 EBITDA

	Glass Packaging North America €m	Glass Packaging Europe €m	Glass Packaging Total €m	Metal Packaging €m	Group €m
	Three months ended 31 March (unaudited)				
Reported EBITDA 2015	**77**	**63**	**140**	**64**	**204**
Organic	4	-	4	5	9
FX translation	4	-	4	-	4
Reported EBITDA 2016	**85**	**63**	**148**	**69**	**217**
Reported EBITDA 2016 margin	**20.1%**	**19.6%**	**19.9%**	**14.5%**	**17.8%**
Reported EBITDA 2015 margin	**19.3%**	**18.7%**	**19.0%**	**13.6%**	**16.9%**

Operating and Free Cash Flow

	Three months ended (unaudited)		Year ended (unaudited)
	31 March 2016 €m	31 March 2015 €m	31 March 2016 €m
Reported EBITDA	**217**	**204**	**947**
Movement in working capital	(122)	(84)	52
Capital expenditure[7]	(64)	(99)	(269)
Exceptional restructuring paid	(2)	(13)	(9)
Operating Cash Flow	**29**	**8**	**721**
Interest paid	(66)	(76)	(313)
Income tax	(6)	(3)	(62)
Free Cash Flow	**(43)**	**(71)**	**346**

The non-GAAP information in the above table has been extracted from the Consolidated Interim Statement of Cash Flows on page 12, and related notes.

Review of the Quarter

First quarter revenue of €1,218 million represented an increase of 1% at actual exchange rates and was 1% lower at constant currency, compared with the same period in 2015.

Revenue in Glass Packaging of €743 million in the quarter increased by 1% compared with the same period last year at actual exchange rates and was 2% lower at constant currency. Glass Packaging North America revenue of €422 million represented an increase of 6% compared with the same period last year and was in line with the prior year at constant exchange rates. Revenue in Glass Packaging Europe decreased by 5% to €321 million compared with the same period in 2015, primarily due to the timing of shipments, and was 4% lower at constant exchange rates.

Metal Packaging revenue of €475 million in the first quarter increased by 1% compared with the same period last year, at both actual and constant exchange rates.

First quarter 2016 EBITDA of €217 million increased by 6% compared with the same period last year. At constant exchange rates, EBITDA growth in the quarter was 4% compared with the same period last year. EBITDA margin of 17.8% for the quarter represented a 90 basis points increase compared with the same period last year.

Glass Packaging EBITDA of €148 million in the quarter increased by 6% over the same period last year and was 3% higher at constant currency. EBITDA margin in Glass Packaging increased by 90 basis points to 19.9% compared with the same period in 2015. Glass Packaging North America EBITDA for the quarter of €85 million increased by 10% over the same period in 2015 and by 5% at constant exchange rates. First quarter Glass Packaging Europe EBITDA of €63 million was in line with the prior year, at both actual and constant exchange rates. Metal Packaging EBITDA of €69 million in the first quarter increased by 8% over the same period last year, with EBITDA margin increasing by 90 basis points to 14.5%.

First quarter operating cash flow of €29 million increased by €21 million compared with the same period last year. This increase reflected EBITDA growth of €13 million, a €35 million reduction in capital expenditure and a €11m reduction in restructuring spending, partly offset by a €38 million increase in the seasonal working capital outflow compared with the same period last year. Free cash outflow for the quarter was €43 million, a €28 million reduction on the same period in 2015. Cash and available liquidity at 31 March was €772 million.

Footnotes to the Selected Financial Information

(1) EBITDA is operating profit before depreciation, amortisation, non-exceptional impairment and exceptional operating items. EBITDA margin is calculated as EBITDA divided by revenue. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the packaging industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

(2) Exceptional items are shown on a number of different lines in the Consolidated Interim Income Statement presented in subsequent pages in this report.

(3) Excludes exceptional interest expense.

(4) Operating cash flow reflects reported EBITDA adjusted for working capital, capital expenditure (see footnote 7 below) and exceptional restructuring costs paid. Working capital is comprised of inventories, trade and other receivables, trade and other payables, provisions and other movements.

(5) Free cash flow is defined as operating cash flow less interest and tax paid.

(6) Debt service costs represent net finance expense excluding exceptional finance expense, net pension interest costs, foreign currency translation gains and losses, and other finance expenses.

(7) Capital expenditure is the sum of purchase of property, plant and equipment and software and other intangibles, net of proceeds from disposal of property, plant and equipment, as per the Consolidated Interim Statement of Cash Flows on page 12.

(8) Cash includes restricted cash.

(9) Total borrowings include all bank borrowings, term loan, senior secured and senior notes, before deduction of any unamortised debt issuance costs or premium on debt issuance above par.

(10) Net debt equals total borrowings and premium on debt issuance above par, less cash and deferred debt issuance costs, plus or minus the fair value of associated derivative financial instruments.

ArdaghGroup

Financial Statements

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Note	31 March 2016 €m Unaudited	31 December 2015 €m Audited
Non-current assets			
Intangible assets	3	1,725	1,810
Property, plant and equipment	3	2,230	2,307
Deferred tax assets		191	178
Other non-current assets		12	14
		4,158	**4,309**
Current assets			
Inventories		869	825
Trade and other receivables		713	651
Restricted cash		10	11
Cash and cash equivalents		475	539
		2,067	**2,026**
TOTAL ASSETS		**6,225**	**6,335**
Equity attributable to owners of the parent			
Ordinary shares		-	-
Capital contribution		101	101
Other reserves		(195)	(243)
Retained earnings		(1,258)	(1,220)
		(1,352)	**(1,362)**
Non-controlling interests		2	2
Total equity		**(1,350)**	**(1,360)**
Non-current liabilities			
Borrowings	4	5,223	5,385
Employee benefit obligations		761	720
Deferred tax liabilities		442	451
Provisions		46	48
Derivative financial instruments		19	-
		6,491	**6,604**
Current liabilities			
Borrowings	4	7	7
Interest payable		85	75
Derivative financial instruments		6	7
Trade and other payables		872	878
Income tax payable		71	76
Provisions		43	48
		1,084	**1,091**
Total liabilities		**7,575**	**7,695**
TOTAL EQUITY and LIABILITIES		**6,225**	**6,335**

CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

	31 March 2016			31 March 2015		
	Before exceptional items €m	Exceptional items €m	Total €m	Before exceptional items €m	Exceptional items €m	Total €m
Revenue	1,218	-	1,218	1,207	-	1,207
Cost of sales	(1,006)	(3)	(1,009)	(1,002)	(7)	(1,009)
Gross profit/(loss)	**212**	**(3)**	**209**	**205**	**(7)**	**198**
Sales, general and administration expenses	(66)	(2)	(68)	(65)	(2)	(67)
Intangible amortisation	(27)	-	(27)	(26)	-	(26)
Operating profit/(loss)	**119**	**(5)**	**114**	**114**	**(9)**	**105**
Finance expense	(92)	-	(92)	(89)	(10)	(99)
Profit/(loss) before tax	**27**	**(5)**	**22**	**25**	**(19)**	**6**
Income tax charge			(17)			(16)
Profit/(loss) for the period			**5**			**(10)**
Profit/(loss) attributable to:						
Owners of the parent			5			(10)
Non-controlling interests			-			-
Profit/(loss) for the period			**5**			**(10)**

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

	Note	31 March 2016 €m	31 March 2015 €m
Profit/(loss) for the period		**5**	**(10)**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation adjustments			
-Arising in the period		49	(144)
		49	**(144)**
Effective portion of changes in fair value of cash flow hedges			
-New fair value adjustments into reserve		(19)	53
-Movement out of reserve		18	(46)
		(1)	**7**
Items that will not be reclassified to profit or loss			
-Re-measurements of employee benefit obligations	5	(63)	(79)
-Deferred tax movement on employee benefit obligations		20	19
		(43)	**(60)**
Other comprehensive income/(expense) for the period		**5**	**(197)**
Total comprehensive income/(expense) for the period		**10**	**(207)**
Attributable to:			
Owners of the parent		10	(207)
Non-controlling interests		-	-
Total comprehensive income/(expense) for the period		**10**	**(207)**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

	Attributable to owners of the parent						
	Capital contribution €m	Retained earnings €m	Foreign currency translation adjustment €m	Cash flow hedges €m	**Total €m**	Non-controlling interests €m	**Total equity €m**
1 January 2016	101	(1,220)	(241)	(2)	**(1,362)**	2	**(1,360)**
Profit for the period	-	5	-	-	**5**	-	**5**
Other comprehensive income/(expense)	-	(43)	49	(1)	**5**	-	**5**
31 March 2016	**101**	**(1,258)**	**(192)**	**(3)**	**(1,352)**	**2**	**(1,350)**

	Attributable to owners of the parent						
	Capital contribution €m	Retained earnings €m	Foreign currency translation adjustment €m	Cash flow hedges €m	**Total €m**	Non-controlling interests €m	**Total equity €m**
1 January 2015	101	(1,306)	(102)	(3)	**(1,310)**	2	**(1,308)**
Loss for the period	-	(10)	-	-	**(10)**	**-**	**(10)**
Other comprehensive (expense)/income	-	(60)	(144)	7	**(197)**	**-**	**(197)**
31 March 2015	**101**	**(1,376)**	**(246)**	**4**	**(1,517)**	**2**	**(1,515)**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2016 (UNAUDITED)

	Note	31 March 2016 €m	31 March 2015 €m
Cash flows from operating activities			
Cash generated from operations	9	79	90
Interest paid		(66)	(76)
Income tax paid		(6)	(3)
Net cash from operating activities		**7**	**11**
Cash flows from investing activities			
Purchase of property, plant and equipment		(62)	(102)
Purchase of software and other intangibles		(2)	(2)
Proceeds from disposal of property, plant and equipment		-	5
Net cash used in investing activities		**(64)**	**(99)**
Cash flows from financing activities			
Proceeds from borrowings		-	20
Repayment of borrowings		(2)	(188)
Early redemption premium		-	(8)
Deferred debt issue costs		-	(2)
Net outflow from financing activities		**(2)**	**(178)**
Net decrease in cash and cash equivalents		**(59)**	**(266)**
Cash and cash equivalents at beginning of the period		550	412
Exchange (losses)/gains on cash and cash equivalents		(6)	9
Cash and cash equivalents at end of the period		**485**	**155**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Statement of directors' responsibilities

The Directors are responsible for preparing the Condensed Consolidated Interim Financial Statements. The Directors are required to prepare financial information for each financial period of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and to
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Condensed Consolidated Interim Financial Statements.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website at: www.ardaghgroup.com.

The condensed consolidated interim financial statements were approved for issue by the Board of Directors of APHL (the "Board") on 25 April 2016.

2. Summary of significant accounting policies

Basis of preparation

The Condensed Consolidated Interim Financial Statements for the three months ended 31 March 2016 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The Condensed Consolidated Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Annual Report for the year ended 31 December 2015, which was prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and on which the independent auditor's report was unqualified.

The Condensed Consolidated Interim Financial Statements presented in this report do not represent financial statements within the meaning of Section 340 (4) of the Companies Act, 2014. Financial statements for Ardagh Packaging Holdings Limited for the year ended 31 December 2015, will be filed in due course with the Registrar of Companies in Ireland.

Income tax in interim periods is accrued using the effective tax rate expected to be applicable to annual earnings.

The accounting policies, presentation and methods of computation followed in the Condensed Consolidated Interim Financial Statements are the same as those applied in the Group's latest Annual Report.

There are no new IFRS standards effective from 1 January 2016 which have a material effect on the Condensed Consolidated Interim Financial Statements. IFRS 15, 'Revenue from contracts with customers' is effective for annual periods beginning on or after 1 January 2018, subject to EU endorsement. IFRS 9, 'Financial instruments' becomes effective for annual periods commencing on or after 1 January 2018, subject to EU endorsement. IFRS 16, 'Leases' is effective for annual periods beginning on or after 1 January 2019 subject to EU endorsement. The impact of the accounting standard changes is being assessed by the Group but is not expected to be material.

3. Intangible assets and property, plant and equipment

		2016		2015
	Intangible assets €m	Property, plant and equipment €m	Intangible assets €m	Property, plant and equipment €m
Net book value				
At 1 January	1,810	2,307	1,762	2,223
Acquisitions	-	-	3	-
Additions	3	50	2	66
Charge for the period	(27)	(71)	(26)	(64)
Disposals	-	-	-	(6)
Exchange	(61)	(56)	164	119
At 31 March	**1,725**	**2,230**	**1,905**	**2,338**

4. Financial assets and liabilities

At 31 March 2016, the Group's net debt and available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn as at 31 March 2016		Undrawn amount
		Local currency m			Local currency m	€m	€m
4.250% First Priority Senior Secured Notes	EUR	1,155	15-Jan-22	Bullet	1,155	1,155	-
First Priority Senior Secured Floating Rate Notes	USD	1,110	15-Dec-19	Bullet	1,110	975	-
6.00% Senior Notes	USD	440	30-Jun-21	Bullet	440	386	-
9.250% Senior Notes	EUR	475	15-Oct-20	Bullet	475	475	-
9.125% Senior Notes	USD	920	15-Oct-20	Bullet	920	808	-
7.000% Senior Notes	USD	150	15-Nov-20	Bullet	150	132	-
6.250% Senior Notes	USD	415	31-Jan-19	Bullet	415	365	-
6.750% Senior Notes	USD	415	31-Jan-21	Bullet	415	365	-
Term Loan B Facility	USD	686	17-Dec-19	Amortising	686	603	-
HSBC Securitisation Programme	EUR	149	14-Jun-18	Revolving	-	-	149
Bank of America Facility	USD	155	11-Apr-18	Revolving	-	-	137
Unicredit Working Capital and Performance Guarantee Credit Lines	EUR	1	Rolling	Revolving	-	-	1
Finance lease obligations	GBP/EUR			Amortising	6	6	-
Other borrowings	EUR	3		Amortising	3	3	-
Total borrowings / undrawn facilities						**5,273**	**287**
Deferred debt issue costs and bond premiums						(43)	-
Net borrowings / undrawn facilities						**5,230**	**287**
Cash, cash equivalents and restricted cash						(485)	485
Derivative financial instruments used to hedge foreign currency and interest rate risk						18	-
Net debt / available liquidity						**4,763**	**772**

The fair value of the Group's borrowings at 31 March 2016 is €5,268 million (31 December 2015: €5,397 million).

Fair values are calculated on Loan Notes and the Term Loan based on quoted market prices. However, quoted market prices for the Term Loan represent Level 2 inputs because the markets in which the Term Loan trades were not active. The fair value of bank loans and other borrowings is equivalent to their carrying value.

Net debt includes the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt.

5. Employee benefit obligations

Employee benefit obligations at 31 March 2016 have been updated to reflect the latest discount rates and asset valuations. A re-measurement charge of €63 million (2015: charge of €79 million) has been recognised in the Consolidated Interim Statement of Comprehensive Income for the three months ended 31 March 2016.

6. Segmental analysis

The Group's three reportable segments are Glass Packaging North America, Glass Packaging Europe and Metal Packaging. This reflects the basis on which the Executive Committee of Ardagh Group S.A. reviews Group performance.

Reconciliation of profit before tax to EBITDA

	Three months ended	
	31 March 2016 €m	31 March 2015 €m
Profit before tax	22	6
Finance expense	92	99
Operating profit	**114**	**105**
Depreciation and amortisation	98	90
Exceptional operating items	5	9
EBITDA	**217**	**204**

The segment results for the three months ended 31 March are as follows:

	Revenue		EBITDA	
	2016 €m	2015 €m	2016 €m	2015 €m
Glass Packaging North America	422	398	85	77
Glass Packaging Europe	321	337	63	63
Metal Packaging	475	472	69	64
Group	**1,218**	**1,207**	**217**	**204**

7. Exceptional items

The Group's income statement, cash flow and segmental analysis separately identify results before specific items. Specific items are those that in the Directors' judgement need to be disclosed by virtue of their size, nature or incidence.

	Three months ended	
	31 March 2016 €m	31 March 2015 €m
Plant start-up costs	2	7
Restructuring costs	1	-
Exceptional items – cost of sales	**3**	**7**
Transaction-related costs – IPO, acquisition and disposals	2	2
Exceptional items – sales, general and administration expenses	**2**	**2**
Deferred issue costs written-off and other debt settlement costs	-	10
Exceptional items – finance expense	**-**	**10**
	5	**19**

8. Finance expense

	Three months ended 31 March 2016 €m	Three months ended 31 March 2015 €m
Senior Secured and Senior Notes	75	72
Term Loan	6	6
Other interest expense	2	2
Interest expense	**83**	**80**
Net pension interest costs	6	6
Foreign currency translation losses	3	3
Finance expense before exceptional items	**92**	**89**
Exceptional finance expense (Note 7)	-	10
	92	**99**

9. Cash generated from operations

	Three months ended 31 March 2016 €m	Three months ended 31 March 2015 €m
Profit before tax	**22**	**6**
Adjustments		
Depreciation (Note 3)	71	64
Amortisation (Note 3)	27	26
Finance expense before exceptional items (Note 8)	92	89
Exceptional items (Note 7)	5	19
EBITDA	**217**	**204**
Movement in working capital	(122)	(84)
Exceptional acquisition-related, disposal and plant start-up costs paid	(14)	(17)
Exceptional restructuring paid	(2)	(13)
Cash from operating activities	**79**	**90**

10. Related party transactions

There were no transactions with related parties as disclosed in the 2015 APHL Annual Report in the three months ended 31 March 2016 that had a material effect on the financial position or the performance of the Group.

11. Contingencies and commitments

Legal matters

In 2015, the German competition authority (the Federal Cartel Office) initiated an investigation of the practices of metal packaging manufacturers in Germany, including Ardagh. The investigation is ongoing, and there is at this stage no certainty as to the extent of any charge which may arise. Accordingly, no provision has been recognised.

With the exception of the above legal matter, the Group is involved in certain other legal proceedings arising in the normal course of its business. The Group believes that none of these proceedings, either individually or in aggregate, is expected to have a material adverse effect on its business, financial condition results of operations or cash flows.

12. Seasonality of operations

The Group’s revenue and cash flows are both subject to seasonal fluctuations. Demand for our glass products is typically strongest during the summer months and in the period prior to December because of the seasonal nature of beverage consumption. Demand for our metal products is largely related to agricultural harvest periods. The investment in working capital for Glass Packaging North America and Glass Packaging Europe typically peaks in the first quarter. The investment in working capital for Metal Packaging generally builds over the first three quarters of the year, in line with the seasonal pattern, and then unwinds in the fourth quarter, with the calendar year-end being the low point. The Group manages the seasonality of working capital by supplementing operating cash flows with drawings under our securitisation and revolving credit facilities.

13. Events after the reporting period

Ardagh Group has entered into an agreement ("Equity and Asset Purchase Agreement") with Ball Corporation (Ball) and Rexam PLC (Rexam) to purchase various metal beverage can manufacturing assets and support locations in Europe, Brazil and the United States for an enterprise value of $3.42 billion including assumed liabilities of $210 million. The completion of the acquisition is subject to certain conditions, including regulatory approval and the closing of Ball's acquisition of Rexam.

Pursuant to the Equity and Asset Purchase Agreement, Ardagh will acquire ten beverage can manufacturing plants and two end plants in Europe, seven beverage can manufacturing plants and one end plant in the United States, two beverage can manufacturing plants in Brazil and certain innovation and support functions in Germany, the UK, Switzerland and the United States. These assets had 2015 sales of $3 billion and standalone EBITDA of approximately $400 million. The business to be acquired by Ardagh will be the number three beverage can manufacturer globally, the number two manufacturer in Europe and the number three manufacturer in the United States and Brazil.

Ardagh expects to finance the acquisition with a combination of cash and secured and unsecured debt. The acquisition is expected to close by the end of June 2016, simultaneous with the closing of Ball's acquisition of Rexam.

Management Transition

After ten very successful years as CEO of Ardagh, Niall Wall has informed the Board of his intention to step down in September. The Board of Ardagh thanks him for his enormous contribution to the success of the Group to date and wishes him well for the future. The Board is also pleased to announce the appointment of Ian Curley as CEO designate of Ardagh. Mr Curley was CFO of Smurfit Kappa Group plc from 2000 until March of this year. He will join Ardagh in late June and succeed Niall Wall when he steps down in September.

ArdaghGroup

Ardagh Finance Holdings S.A.

INTERIM STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Note	31 March 2016 €m Unaudited	31 December 2015 €m Audited
Non-current assets			
Other financial asset		400	400
Receivable from subsidiary		989	1,021
		1,389	**1,421**
Current assets			
Receivable from subsidiary		2	2
Cash and cash equivalents		25	4
		27	**6**
TOTAL ASSETS		**1,416**	**1,427**
Equity attributable to owners of the parent			
Ordinary shares		-	-
Share premium		400	400
Retained earnings		2	2
Total equity		**402**	**402**
Non-current liabilities			
Borrowings	1	987	1,019
		987	**1,019**
Current liabilities			
Interest payable		25	4
Payable to subsidiary		2	2
		27	**6**
Total liabilities		**1,014**	**1,025**
TOTAL EQUITY and LIABILITIES		**1,416**	**1,427**

1. Borrowings

At 31 March 2016 the fair value of borrowings is €965 million (31 December 2015: €1,008 million).

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