urenco
The Energy to Succeed

news release

Date: 12 March 2020

Urenco Group – Full Year 2019 Audited Financial Results
Productive year with robust results and further reduction in net debt

London – 12 March 2020 – Urenco Group ("Urenco" or "the Group"), an international supplier of uranium enrichment services and nuclear fuel cycle products, today announces its results for the full year ended 31 December 2019.

- Strong operating cash flow generation of €1,094.3 million, with continued reduction of net financial debt to €928.1 million (32.3% reduction year-on-year), down from €2.8 billion at the end of 2015.
- Revenue of €1,804.5 million (down 7.8% year-on-year).
- EBITDA of €1,219.6 million (in line with 2018), driven by our current order book and strong operational performance.
- Net income of €7.6 million impacted by exceptional items due to impairment of USA operations (€446.0 million post-tax) and increase in nuclear provisions as a result of lower discount rates (€111.2 million post-tax).

Financial Highlights (€m)	2019	2018
Revenue	**1,804.5**	1,957.7
EBITDA(i)	**1,219.6**	1,200.4
EBITDA margin %	**67.6%**	61.3%
Income from operating activities (pre-exceptional items)	**850.2**	826.5
Exceptional items (pre-tax)(ii)	**(643.0)**	-
Income from operating activities (post-exceptional items)	**207.2**	826.5
Net income (pre-exceptional items)	**564.8**	511.3
Exceptional items (post-tax)(ii)	**(557.2)**	-
Net income (post-exceptional items)	**7.6**	511.3
Earnings per share (post-exceptional items)	**0.1**	3.0
Capital expenditure(iii)	**151.4**	183.1
Cash generated from operating activities	**1,094.3**	1,401.0

(i) EBITDA is earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and joint venture results. Depreciation and amortisation are adjusted to remove elements of such charges included in changes to inventories and net costs of nuclear provisions. Further details on the calculation of EBITDA are set out in note 4 to the Group's Consolidated Financial Statements contained in the 2019 Annual Report and Accounts.
(ii) Exceptional items comprise impairment of USA operations (€500.0 million pre-tax, €446.0 million post-tax) and increase in nuclear provisions as a result of lower discount rates (€143.0 million pre-tax, €111.2 million post-tax).
(iii) Capital expenditure includes net cash flows from investing activities (excluding interest received) and capital accruals (included in working capital payables).

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Boris Schucht, Chief Executive of Urenco Group, commenting on the full year results, said:

"2019 was a productive year. We accepted new business at levels which will enable us to reinvest in our enrichment facilities and reduced our net financial debt to its lowest level since it peaked in 2015. Our revenue, EBITDA and net income before exceptional items all remained robust. We once again met 100% of our customer deliveries while providing a record volume of enrichment services.

We continue to experience challenges in the enrichment market. As a result of this, we recorded an impairment against the carrying value of our US operations in 2019 of €446 million (post tax) due to the market being forecast to recover more slowly than previously predicted. However, there is scope for optimism, as the spot enrichment price has recovered by 38%, reaching US$47/SWU by the end of October 2019 from its lowest point of US$34/SWU in August 2018.

Our four-year strategy concluded at the end of 2019, with the achievements including more than €300 million in cumulative cash savings and efficiencies, a redefined commercial strategy and an extended customer order book. We are refreshing our strategy and launching a new organisational culture project, which we are confident will further secure our long-term future.

An exciting milestone in 2019 was the completed construction of our €1 billion state-of-the-art Tails Management Facility in the UK. Active commissioning of the TMF is ongoing and, when operational, it will help Urenco responsibly manage the by-product of our enrichment services. Another significant investment, the extension of our Stable Isotopes facility in the Netherlands, will be opened in 2020. This will enable us to enrich non-uranic elements which are used in scientific and medical applications, including the treatment of serious illnesses.

In 2020 we are celebrating 50 years of successful operation. We have our sights set firmly on the next 50 years. We are proud to continue to serve the nuclear industry, making a key contribution to sustainable energy generation in a low-carbon world."

Financial Results

Revenue for the year ended 31 December 2019 was €1,804.5 million, a decrease of 7.8% on the €1,957.7 million in 2018. Both SWU revenues and uranium related sales were lower in 2019 by €53.5 million and €74.6 million respectively. For SWU revenues, volumes were slightly higher than the previous year but with lower average unit revenues. By contrast, uranium related sales experienced significantly lower volumes but with higher realised unit prices. Other revenues decreased by €25.1 million compared to 2018, primarily as a result of lower sales at Urenco Nuclear Stewardship and losses associated with uranium related commodity contracts.

EBITDA for 2019 was €1,219.6 million, an increase of €19.2 million (1.6%) from €1,200.4 million in 2018, corresponding to an EBITDA margin of 67.6% for 2019 (2018: 61.3% in 2018), with the EBITDA margin in 2018 being adversely impacted by the triennial review of nuclear liabilities carried out in that year.

EBITDA for 2019 reflects the different mix in customer deliveries between the two years satisfied from in-year production and inventories (2019: €(5.5) million, 2018: €(146.5) million). In 2019 EBITDA also benefited from lower net costs of nuclear provisions (€19.4 million) and lower other operating and administrative expenses (€12.0 million).

The net costs of nuclear provisions (before exceptional items) were €154.7 million in 2019 compared to €174.1 million in 2018, a decrease of €19.4 million. The net costs for tails provisions in 2019 were €8.2 million more than those for 2018. The net costs for decommissioning provisions in 2019 decreased by €66.8 million primarily due to a lower charge for additional provisions of €nil million (2018: €65.9 million), with 2018 reflecting the triennial review of nuclear liabilities, together with a slightly higher release of provisions in the year of €9.7 million (2018: €8.8 million) associated with cylinder assets. The net costs for other nuclear provisions in 2019 increased by €39.2 million primarily as a result of changes to the forecasts for future re-enrichment of low assay feed.

Other operating and administrative expenses were €424.7 million in 2019 compared to €436.7 million in 2018, a decrease of €12.0 million.

Exceptional items totalling €643.0 million on a pre-tax basis (€557.2 million post-tax) were reported in 2019 (2018: €nil). The total net income tax credit associated with the exceptional items was €85.8 million (2018: €nil).

The majority of the charge relates to an impairment of the carrying value of the US operations of €500.0 million (€446.0 million post-tax), as a result of further downward pressure on long-term price forecasts for uncontracted SWU volumes, compared with those assumed at the time of the construction of the US operations and also since the impairment charge recorded in 2016. These pressures are due to a combination of factors, including premature closure of nuclear reactors due to economic reasons, primarily in unregulated markets, excess capacity in global enrichment and the build-up of surplus inventories.

In addition, an exceptional charge of €143.0 million on a pre-tax basis (€111.2 million post-tax) arose due to the increase in the value of nuclear provisions held by the European enrichment businesses following a revision to the discount rates applied to the provisions due to continued downward pressure on real interest rates in Europe. Of the €143.0 million, €111.3 million relates to tails provisions and €31.7 million relates to decommissioning provisions.

Depreciation and amortisation for 2019 was €356.2 million (2018: €329.2 million), with the higher charge in 2019 reflecting adverse impacts from movements in foreign exchange rates in addition to an increase in the depreciation of decommissioning assets following the triennial review carried out in 2018.

Income from operating activities post-exceptional items was €207.2 million (2018: €826.5 million) and Income from operating activities pre-exceptional items was €850.2 million (2018: €826.5 million).

Net finance costs for 2019 were €107.1 million, compared to €106.0 million for 2018. The net finance costs on borrowings (including the impact of interest rate/cross currency interest rate swaps) were €5.8 million higher at €81.1 million, reflecting the €9.9 million of costs associated with the repurchase and cancellation of €215.6 million of February 2021 Eurobonds. Underlying net finance costs were lower reflecting the lower levels of net debt in 2019, although this is partially offset by the lower levels of interest income on cash balances.

In 2019 the pre-exceptional tax expense was €178.3 million (an effective tax rate (ETR) of 24.0%), a decrease of €30.9 million over the tax expense of €209.2 million for 2018 (ETR: 29.0%). The decrease in the ETR arose primarily from the impact of non-taxable and non-deductible amounts, including foreign exchange financing gains and losses that are excluded from tax under the UK Disregard Regulations.

The post-exceptional tax expense of €92.5 million reflects the pre-exceptional expense of €178.3 million after the benefit of the €85.8 million net credit associated with the exceptional items.

Net income after exceptional items was €7.6 million in 2019 (2018: €511.3 million).

Net income before exceptional items was €564.8 million in 2019, an increase of €53.5 million (10.5%) compared to the 2018 net income of €511.3 million. The net income margin before exceptional items for 2019 was 31.3% compared to 26.1% for 2018.

Operating cash flow before movements in working capital was €1,288.3 million (2018: €1,293.8 million) and cash generated from operating activities was €1,094.3 million (2017: €1,401.0 million). The lower cash flows from operating activities primarily result from lower revenues and adverse movements in working capital compared to 2018.

Tax paid in the period was €141.5 million (2018: €119.3 million) due to the timing and phasing of cash payments which can often span multiple years.

In 2019 Group capital expenditure[1] was €151.4 million (2018: €183.1 million), reflecting a lower level of expenditure on both core enrichment assets and the TMF (2019: €43.0 million, 2018: €76.0 million). Expenditure on core enrichment assets is now broadly at a level forecast as part of our strategy and appropriate to maintain the existing fleet of enrichment asset for the near to mid-term. Completion of construction of the TMF was achieved in late 2018 and active commissioning is ongoing.

Net cash outflow from financing activities was €1,101.8 million (2018: €681.8 million) which includes the placement of €464.1 million in short term deposits, the majority of which mature in March 2020. In 2019 the Group repurchased and cancelled €215.6 million of the February 2021 Eurobonds for a price of €225.5 million (104.6%). The transaction was completed in January 2019 for a total amount of €230.5 million, which included €5.0 million of accrued interest on these Eurobonds. As at 31 December 2019, a nominal amount of €534.4 million remained outstanding on the February 2021 Eurobonds. In March 2019, €300.0 million in dividends for the year ended 31 December 2018 were paid to shareholders (2018: €300.0 million).

As at 31 December 2019, the Group held short-term deposits and cash and cash equivalents of €787.3 million (31 December 2018: €531.2 million). Net debt decreased to €928.1 million (2018: €1,370.9 million) including lease liabilities of €22.0m (2018: €nil). The Group's debt is rated by Moody's (Baa1/Stable) and Standard & Poor's (BBB+/Stable); these external ratings were unchanged during 2019.

Total provisions as at 31 December 2019 were €2,187.0 million (2018: €1,776.5 million) of which €9.2 million (2018: €7.5 million) was included in current liabilities. In 2019, additional provisions and the unwinding of discounts were €612.2 million (including the impact of the change in discount rates), while utilisation and release of provisions (including exchange differences) were €201.7 million. Nuclear liabilities and the associated provisions, together with underlying macro-economic assumptions and the required funding capability, are kept under constant review by Urenco.

Order Book

Our order book extends to the 2030s with a value as at 31 December 2019 of €10.6 billion based on €/$ of 1 : 1.12 (31 December 2018: approximately €11.9 billion based on €/$ of 1 : 1.15), providing visibility and financial stability of future revenues.

[1] Capital expenditure of €151.4 million includes net cash flows from investing activities (excluding interest received) of €145.3 million and capital accruals of €6.1 million (included in working capital payables).

Outlook

Uranium enrichment is the heart of our business, complemented by services which benefit our customers and utilise our technology and core expertise. We continue to explore growing markets: in enrichment services through our new representative office in China; in Stable Isotopes through our extended facility in the Netherlands; and in nuclear stewardship through our two UK subsidiaries dedicated to this area, Urenco Nuclear Stewardship Limited and Urenco ChemPlants Limited.

The principal risks and uncertainties to which Urenco is exposed remain broadly in line with those disclosed in 2018. Our contract order book leaves us well-placed to meet challenges from the enrichment market. We have accepted new business at levels which give us optimism that customers understand the importance of having a market that can promote reinvestment. Enriched uranium inventories have led to excess capacity in the market, and we forecast they will further decrease in the mid-term.

Policy decisions in some European countries and North America support the nuclear industry, with investment in current reactors and delays to phase-outs of capacity. Investment in new nuclear is most pronounced in Asia, where the industry is growing rapidly. Our broad offering, and the large geographic reach of our four facilities, enables us to meet this demand and make a strong contribution to the need for sustainable energy globally to meet climate change goals.

We are also continuously monitoring and mitigating geopolitical challenges. Our sites are prepared for the UK's full withdrawal from the European Union and Euratom. We are confident we will continue to meet our global customer commitments and remain a long-term supportive partner to the nuclear industry.

Board

Boris Schucht, Chief Executive, joined Urenco in May 2019, replacing Thomas Haeberle.

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About Urenco Group

Urenco is an international supplier of enrichment services and fuel cycle products with its head office based close to London, UK. With plants in Germany, the Netherlands, the UK and the USA, it operates in a pivotal area of the nuclear fuel supply chain which enables the sustainable generation of electricity for consumers around the world.

Using centrifuge technology designed and developed by Urenco, the Urenco Group provides safe, cost effective and reliable uranium enrichment services for power generation within a framework of high environmental, social and corporate responsibility standards.

For more information, please visit www.urenco.com

Definitions

Capital Expenditure – Reflects investment in property, plant and equipment plus the prepayments in respect of fixed asset and intangible asset purchases for the period.

EBITDA – Earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and joint venture results (or income from operating activities plus depreciation and amortisation, plus joint venture results). Depreciation and amortisation are adjusted to remove elements of such charges already included in changes to inventories and SWU assets and net costs of nuclear provisions.

Net Costs of Nuclear Provisions – The net costs charged to the income statement associated with the creation and release of provisions for tails, decommissioning and re-enrichment of low assay feed.

Net Debt – Loans and borrowings (current and non-current) plus obligations under leases less cash and cash equivalents and short term deposits.

Net Finance Costs – Finance costs less finance income, net of capitalised borrowing costs and including costs/income of non-designated hedges and charges/reversals of expected credit losses on financial assets.

Net Income – Income for the year attributable to equity holders of the parent.

Order Book – Contracted and agreed business estimated on the basis of "requirements" and "fixed commitment" contracts.

Other Operating and Administrative Expenses – Expenses comprising Employee costs, Restructuring charges, and Other expenses, but excluding the Net costs of nuclear provisions and any associated elements of depreciation.

Revenue – Revenue from sale of goods and services and net fair value gains/losses on commodity contracts.

Separative Work Unit (SWU) – The standard measure of the effort required to increase the concentration of the fissionable U_{235} isotope.

Tails (Depleted UF_6) – Uranium hexafluoride that contains a lower concentration than the natural concentration (0.711%) of U_{235} isotope.

Uranium Related Sales – Sales of uranium in the form of UF_6, U_3O_8 or the UF_6 component of EUP.

Urenco Nuclear Stewardship Limited – Previously named Capenhurst Nuclear Services Limited.

Disclaimer

This press release is not intended to be read as the Group's statutory accounts as defined in section 435 of the Companies Act 2006. Information contained in this release is based on the 2018 Consolidated Financial Statements of the Urenco Group, which were authorised for the issue by the Board of Directors on 14 March 2019. The auditor's report on the 2019 Consolidated Financial Statements of the Group was unqualified and did not contain a statement under section 498 of the Companies Act 2006. The Group's 2018 statutory accounts have been delivered to the registrar of companies.

This release and the information contained within it does not constitute an offering of securities or otherwise constitute an invitation or inducement to underwrite, subscribe for or otherwise acquire securities in any company within the Urenco Group.

Any forward-looking statements contained within this release are inherently subject to risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements and, accordingly, any person reviewing this release should not rely on such forward-looking statements.

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CONSOLIDATED INCOME STATEMENT

	2019 Result for the year (post exceptional items) €m	2019 Exceptional items in year €m	2019 Result for the year (pre exceptional items) €m	2018 Result for the year €m
Revenue	**1,804.5**	**-**	**1,804.5**	1,957.7
Changes to inventories of work in progress, finished goods and SWU assets	**(5.5)**	**-**	**(5.5)**	(146.5)
Raw costs of materials and consumables used	**(13.0)**	**-**	**(13.0)**	(14.5)
Net costs of nuclear provisions	**(297.7)**	**(143.0)**	**(154.7)**	(174.1)
Employee costs	**(168.4)**	**-**	**(168.4)**	(160.3)
Depreciation and amortisation	**(356.2)**	**-**	**(356.2)**	(329.2)
Impairment of USA operations	**(500.0)**	**(500.0)**	**-**	-
Restructuring provision release	**2.9**	**-**	**2.9**	2.3
Other expenses	**(264.8)**	**-**	**(264.8)**	(311.7)
Share of results of joint venture	**5.4**	**-**	**5.4**	2.8
Income / (loss) from operating activities	**207.2**	**(643.0)**	**850.2**	826.5
Finance income	**74.3**	**-**	**74.3**	68.7
Finance costs	**(181.4)**	**-**	**(181.4)**	(174.7)
Income / (loss) before tax	**100.1**	**(643.0)**	**743.1**	720.5
Income tax (expense) / credit	**(92.5)**	**85.8**	**(178.3)**	(209.2)
Net income / (loss) for the year attributable to the owners of the Company	**7.6**	**(557.2)**	**564.8**	511.3
Earnings per share	**€**	**€**	**€**	€
Basic earnings per share	**0.1**	**(3.3)**	**3.4**	3.0

RECONCILIATION OF INCOME FROM OPERATING ACTIVITIES TO EBITDA

	2019 Result for the year (pre exceptional items) €m	2018 Result for the year €m
Income from operating activities (post exceptionals)	**207.2**	826.5
Exceptional items	**643.0**	-
Income from operating activities (pre exceptionals)	**850.2**	826.5
Depreciation and amortisation	**356.2**	329.2
Depreciation in inventories and SWU assets	**(1.5)**	45.8
Depreciation within net costs of nuclear provisions	**20.1**	1.7
Joint venture result	**(5.4)**	(2.8)
EBITDA	**1,219.6**	1,200.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2019 €m	2018 Restated(i) €m
Net income for the year attributable to the owners of the Company	**7.6**	511.3
Other comprehensive income / (loss):		
Items that have been or may be reclassified subsequently to the income statement		
Cash flow hedges – transfers to revenue[(i)]	**40.2**	44.9
Cash flow hedges – mark to market losses[(i)]	**(23.6)**	(98.1)
Movements on cost of hedging reserve	**(15.6)**	(14.0)
Deferred tax (expense) / income on financial instruments[(i)]	**(2.8)**	20.1
Current tax (expense) / income on financial instruments[(i)]	**(5.8)**	41.5
Exchange differences on hedge reserves	**(12.2)**	3.6
Total movements to hedging reserve[(i)]	**(19.8)**	(2.0)
Exchange differences on foreign currency translation of foreign operations	**48.3**	126.7
Net investment hedge – mark to market gains[(i)]	**39.7**	(75.7)
Deferred tax income / (expense) on financial instruments[(i)]	**2.5**	(1.4)
Current tax income / (expense) on financial instruments[(i)]	**5.2**	(14.9)
Share of joint venture exchange differences on foreign currency translation of foreign operations	**0.1**	(0.4)
Total movements to foreign currency translation reserve	**95.8**	34.3
Items that will not be reclassified subsequently to the income statement		
Actuarial (losses) / gains on defined benefit pension schemes	**(16.9)**	51.1
Deferred tax income / (expenses) on actuarial (losses) / gains	**1.8**	(8.9)
Current tax income on actuarial losses	**1.3**	-
Share of joint venture actuarial (losses) / gains on defined benefit pension schemes	**(3.8)**	8.2
Exchange differences	**-**	0.9
Total movements to retained earnings	**(17.6)**	51.3
Other comprehensive income	**58.4**	83.6
Total comprehensive income for the year attributable to the owners of the Company	**66.0**	594.9

(i) To appropriately present the accumulation of gains/losses of hedging instruments in net investment hedges and the related deferred tax and current tax in the foreign currency translation reserve under IFRS 9 Financial Instruments, the mark to market gains and losses and related deferred tax and current tax of €363.0 million in respect of net investment hedges for the year ended 31 December 2018 have been removed from the hedging reserve and recognised in the foreign currency translation reserve. In addition, hedging reserves have been restated for the year ended 31 December 2018 by combining the hedging reserve with the cost of hedging reserve.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2019 €m	31 December 2018 Restated(i) €m	1 January 2018 Restated(i) €m
Assets			
Non-current assets			
Property, plant and equipment, including right-of-use assets	**4,570.8**	4,961.9	4,900.5
Investment property	**6.5**	6.1	6.8
Intangible assets	**24.5**	34.6	44.4
Investments including joint venture	**21.2**	18.9	7.5
Restricted cash	**3.5**	4.3	7.6
Derivative financial instruments	**145.3**	197.9	284.7
Deferred tax assets	**183.1**	166.1	207.2
Contract assets	**5.2**	-	-
	4,960.1	5,389.8	5,458.7
Current assets			
Inventories	**128.8**	135.0	213.5
SWU assets	**289.5**	241.9	332.4
Contract assets	**11.1**	-	-
Trade and other receivables	**263.2**	218.8	234.3
Derivative financial instruments	**7.1**	14.3	22.0
Income tax recoverable	**89.0**	44.6	77.8
Short term bank deposits	**464.1**	-	-
Cash and cash equivalents	**323.2**	531.2	59.1
	1,576.0	1,185.8	939.1
Total assets	**6,536.1**	6,575.6	6,397.8
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital	**237.3**	237.3	237.3
Additional paid in capital	**16.3**	16.3	16.3
Retained earnings	**1,310.0**	1,620.0	1,356.8
Hedging reserves - restated(i)	**18.7**	38.5	40.5
Foreign currency translation - restated(i)	**303.5**	207.7	173.4
Total equity	**1,885.8**	2,119.8	1,824.3
Non-current liabilities			
Trade and other payables	**-**	41.4	-
Interest bearing loans and borrowings	**1,693.4**	1,902.1	1,888.8
Lease liabilities	**19.6**	-	-
Provisions	**2,177.8**	1,769.0	1,499.3
Contract liabilities	**53.5**	50.1	28.2
Derivative financial instruments	**142.7**	158.1	120.1
Deferred tax liabilities	**99.4**	97.7	94.7
Retirement benefit obligations	**65.2**	46.0	97.3
	4,251.6	4,064.4	3,728.4
Current liabilities			
Trade and other payables	**250.6**	255.4	436.6
Interest bearing loans and borrowings	**-**	-	275.0
Lease liabilities	**2.4**	-	-
Provisions	**9.2**	7.5	15.3
Contract liabilities	**59.6**	62.1	1.6
Derivative financial instruments	**36.1**	33.8	52.6
Income tax payable	**40.8**	32.6	64.0
	398.7	391.4	845.1
Total liabilities	**4,650.3**	4,455.8	4,573.5
Total equity and liabilities	**6,536.1**	6,575.6	6,397.8

(i) The amounts in the hedging reserve in respect of the net investment hedges as at 1 January 2018 and for the year ended 31 December 2018 have been removed from the hedging reserve and recognised in the foreign currency translation reserve. In addition hedging reserves have been restated for the year ended 31 December 2018 by combining the hedging reserve with the cost of hedging reserve. Total equity as at 1 January 2018 and 31 December 2018 remains unchanged.

Registered Number 01022786
The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2020.
They were signed on its behalf by:

Boris Schucht
Chief Executive Officer

Ralf ter Haar
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Additional paid in capital	Retained earnings	Hedging reserves	Foreign currency translation reserve	Attributable to the owners of the Company
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
As at 31 December 2018	**237.3**	**16.3**	**1,620.0**	**38.5**	**207.7**	**2,119.8**
Income for the year	**-**	**-**	**7.6**	**-**	**-**	**7.6**
Other comprehensive income / (loss)	**-**	**-**	**(17.6)**	**(19.8)**	**95.8**	**58.4**
Total comprehensive income / (loss)	**-**	**-**	**(10.0)**	**(19.8)**	**95.8**	**66.0**
Equity dividends paid	**-**	**-**	**(300.0)**	**-**	**-**	**(300.0)**
As at 31 December 2019	**237.3**	**16.3**	**1,310.0**	**18.7**	**303.5**	**1,885.8**

	Share capital	Additional paid in capital	Retained earnings	Hedging reserves Restated(i)	Foreign currency translation reserve Restated(i)	Attributable to the owners of the Company
	€m	€m	€m	€m	€m	€m
As at 31 December 2017	237.3	16.3	1,356.8	(322.5)	536.4	1,824.3
Adjustment for IFRS 9 transition	-	-	0.6	363.0	(363.0)	0.6
Revised as at 1 January 2018	237.3	16.3	1,357.4	40.5	173.4	1,824.9
Income for the year	-	-	511.3	-	-	511.3
Other comprehensive income / (loss)	-	-	51.3	(2.0)	34.3	83.6
Total comprehensive income / (loss)	-	-	562.6	(2.0)	34.3	594.9
Equity dividends paid	-	-	(300.0)	-	-	(300.0)
As at 31 December 2018	237.3	16.3	1,620.0	38.5	207.7	2,119.8

(i) To appropriately present the accumulation of gains/losses of hedging instruments in net investment hedges and the related deferred tax and current tax in the foreign currency translation reserve under IFRS 9 Financial Instruments, the mark to market gains and losses and related deferred tax and current tax of €363.0 million in respect of net investment hedges for the year ended 31 December 2018 have been removed from the hedging reserve and recognised in the foreign currency translation reserve. In addition, hedging reserves have been restated for the year ended 31 December 2018 by combining the hedging reserve with the cost of hedging reserve.

CONSOLIDATED CASH FLOW STATEMENT

	2019	2018
	€m	€m
Income before tax	**100.1**	720.5
Adjustments to reconcile Group income before tax to net cash flows from operating activities:		
Share of joint venture results	**(5.4)**	(2.8)
Depreciation and amortisation	**356.2**	329.2
Exceptional items	**643.0**	-
Finance income	**(74.3)**	(68.7)
Finance costs	**181.4**	174.7
Loss on disposal/write offs of property, plant and equipment	**1.2**	0.4
Increase in provisions	**86.1**	140.5
Operating cash flows before movements in working capital	**1,288.3**	1,293.8
(Increase)/decrease in inventories	**(6.4)**	64.0
(Increase)/decrease in SWU assets	**(63.3)**	93.4
(Increase)/decrease in receivables and other debtors	**(39.9)**	11.7
Decrease in payables and other creditors	**(84.4)**	(61.9)
Cash generated from operating activities	**1,094.3**	1,401.0
Income taxes paid	**(141.5)**	(119.3)
Net cash flow from operating activities	**952.8**	1,281.7
Investing activities		
Interest received	**47.9**	59.8
Purchases of property, plant and equipment	**(142.1)**	(183.0)
Purchases of intangible assets	**(3.1)**	-
Increase in investment	**(0.1)**	(0.1)
Net cash flow from investing activities	**(97.4)**	(123.3)
Financing activities		
Interest paid	**(124.9)**	(130.3)
Proceeds in respect of settlement of debt hedges	**4.6**	26.1
Dividends paid to equity holders	**(300.0)**	(300.0)
Proceeds from new borrowings	**-**	455.2
Placement of short-term deposits	**(464.1)**	-
Repayment of borrowings	**(215.6)**	(732.8)
Repayment of lease liabilities	**(1.8)**	-
Net cash flow from financing activities	**(1,101.8)**	(681.8)
Net (decrease)/increase in cash and cash equivalents	**(246.4)**	476.6
Cash and cash equivalents at 1 January	**531.2**	59.1
Effect of foreign exchange rate changes	**38.4**	(4.5)
Cash and cash equivalents at 31 December	**323.2**	531.2