ArdaghGroup

Interim Report

For the three months ended
31 March 2015

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 Group financial information 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 ratios and percentages)		
	Three months ended		Year ended
	31 March 2015	31 March 2014	31 March 2015
Income statement data			
Revenue	1,207	968	4,972
EBITDA[1]	204	155	841
Depreciation and amortisation	(90)	(69)	(384)
Exceptional items[2]	(19)	(19)	(475)
Finance expense[3]	(89)	(81)	(357)
Profit/(loss) before tax	6	(14)	(375)
Income tax charge	(16)	(4)	(9)
Loss for the period	(10)	(18)	(384)
Cash flow data			
Operating cash flow[4]	8	(24)	496
Free cash flow[5]	(71)	(42)	121
Other data			
EBITDA margin[1]	16.9%	16.0%	16.9%
Debt service costs[6]	80	80	330
Capital expenditure[7]	99	97	316
Ratio of EBITDA to debt service costs[1] [6]	2.6x	1.9x	2.5x

	Unaudited – Reported (in € millions)		
	31 March 2015	31 December 2014	31 March 2014
Balance sheet data			
Cash[8]	155	412	202
Total assets	6,424	6,095	5,613
Total borrowings[9]	5,519	5,245	4,583
Total equity	(1,515)	(1,308)	(699)
Net debt[10]	5,209	4,733	3,698

All footnotes are on page 7 of this document.

OPERATING AND FINANCIAL REVIEW

Pro Forma Operating Results

The consolidated results for the three months ended 31 March 2015 and 2014 are presented in this review on a pro forma basis, based on unaudited financial information.

Transactions which occurred in the twelve months ended 31 March 2015 are as follows:
- The acquisition of Verallia North America ("VNA") closed on 11 April 2014.
- The divestment of six former Anchor Glass plants and related assets (the "Anchor Divestment") closed on 30 June 2014.
- The divestment of the Group's Metal operations in Australia and New Zealand closed on 31 December 2014.
- The divestment of a small business in the Metal Packaging division closed on 31 October 2014.

We believe it is more useful to review revenue and EBITDA on a pro forma basis, as if each of these transactions had occurred on 1 January 2014.

	Unaudited – Pro Forma (in € millions, except ratios and where indicated)		
	Three months ended		Year ended
	31 March 2015	31 March 2014	31 March 2015
Revenue			
Glass Packaging North America	398	341	1,519
Glass Packaging Europe	337	327	1,416
Metal Packaging	472	433	1,855
Group	**1,207**	**1,101**	**4,790**
EBITDA[1]			
Glass Packaging North America	77	55	292
Glass Packaging Europe	63	64	276
Metal Packaging	64	49	250
Group	**204**	**168**	**818**
EBITDA Margin[1]			
Glass Packaging North America	19.3%	16.1%	19.2%
Glass Packaging Europe	18.7%	19.6%	19.5%
Metal Packaging	13.6%	11.3%	13.5%
Group	**16.9%**	**15.3%**	**17.1%**
Capital expenditure	99	116	307
Ratio of net debt to EBITDA[1] [10]			6.4x

All footnotes are on page 7 of this document.

Financial Review

Bridge of 2014 Revenue to 2015 Revenue

	Three months ended 31 March				
	Glass Packaging North America €m	Glass Packaging Europe €m	Glass Packaging Total €m	Metal Packaging €m	Group €m
Reported revenue 2014	**161**	**327**	**488**	**480**	**968**
Acquisitions	277	-	277	-	277
Disposals	(97)	-	(97)	(47)	(144)
Pro forma revenue 2014	**341**	**327**	**668**	**433**	**1,101**
Organic	(7)	2	(5)	31	26
FX translation	64	8	72	8	80
Reported revenue 2015	**398**	**337**	**735**	**472**	**1,207**

Bridge of 2014 EBITDA to 2015 EBITDA

	Three months ended 31 March				
	Glass Packaging North America €m	Glass Packaging Europe €m	Glass Packaging Total €m	Metal Packaging €m	Group €m
Reported EBITDA 2014	**37**	**64**	**101**	**54**	**155**
Acquisitions	38	-	38	-	38
Disposals	(20)	-	(20)	(5)	(25)
Pro forma EBITDA 2014	**55**	**64**	**119**	**49**	**168**
Organic	12	(3)	9	14	23
FX translation	10	2	12	1	13
Reported EBITDA 2015	**77**	**63**	**140**	**64**	**204**
Reported EBITDA 2015 margin	**19.3%**	**18.7%**	**19.0%**	**13.6%**	**16.9%**
Pro forma EBITDA 2014 margin	**16.1%**	**19.6%**	**17.8%**	**11.3%**	**15.3%**

Operating and Free Cash Flow

	Three months ended		Year ended
	31 March 2015	31 March 2014	31 March 2015
	€m	€m	€m
Reported EBITDA	**204**	**155**	**841**
Movement in working capital	(84)	(79)	3
Capital expenditure(7)	(99)	(97)	(316)
Exceptional restructuring paid	(13)	(3)	(32)
Operating Cash Flow	**8**	**(24)**	**496**
Interest paid*	(76)	(15)	(357)
Income tax**	(3)	(3)	(18)
Free Cash Flow	**(71)**	**(42)**	**121**

*Interest paid in the three months ended 31 March 2014 excludes exceptional interest paid of €10 million relating to the VNA acquisition notes that were repaid in January 2014. The results of VNA are not included in the reported results for the three months ended 31 March 2014.

**Income tax paid in the three months ended 31 March 2014 excludes €4 million exceptional tax paid relating to the disposal of the Group's investment in ORG, which occurred in the year ended 31 December 2013.

The non-GAAP information in the above table has been extracted from the Consolidated Interim Statement of Cash Flows on page 13, and related notes.

Review of the Quarter

Revenue of €1,207 million for the first quarter of 2015 represented an increase of 25% over the same period in 2014. Compared with pro forma first quarter 2014 the increase was 10% at actual exchange rates and 2% at constant currency.

Revenue in the Glass division of €735 million increased by 10% compared with pro forma revenue for the same period in 2014. At constant currency, it declined by 1%. Glass North America revenue of €398 million increased by 17% over pro forma revenue for the same period last year at actual exchange rates and was 2% lower on a constant currency basis. Glass Europe revenue in the first quarter increased by 3% to €337 million, compared with the same period in 2014 and was 1% higher at constant currency.

In the Metal division, revenue of €472 million increased by 9% over pro forma first quarter 2014 revenue and by 7% at constant currency. Revenue growth primarily reflected an initial contribution from the Group's new North American plants.

EBITDA for the first quarter of 2015 was €204 million, an increase of 32% over the same period in 2014. Constant currency EBITDA increased by 21%, with organic growth of 13% compared with pro forma EBITDA for the same period last year and acquisitions, net of disposals, contributing 8% growth. EBITDA margin of 16.9% in the first quarter compared with the pro forma margin of 15.3% in the same period in 2014.

Glass division EBITDA increased by 18% to €140 million, compared with pro forma EBITDA of €119 million in the first quarter of 2014. At constant currency, the increase was 7% and reflected continued efficiencies and the integration of VNA. Glass North America EBITDA of €77 million in the first quarter of 2015 increased by 40% over pro forma EBITDA for the same period last year and was 18% higher on a constant currency basis. Glass Europe EBITDA for the quarter was 2% lower than the prior year quarter at actual currency rates.

Metal division EBITDA of €64 million in the quarter represented an increase of 31% over the first quarter of 2014 on a pro forma basis and increased by 28% at constant currency. Growth reflected efficiencies and cost reductions in Metal Europe and the commencement of commercial shipments from the recently completed North American plants.

Operating cash flow in the quarter was €8 million, an increase of €32 million over the same period in 2014. EBITDA for the quarter increased by €49 million compared with first quarter of 2014 to €204 million. The seasonal first quarter working capital outflow of €84 million was €5 million higher than the first quarter of 2014, due to the ramp up of the Group's new metal plants in North America and the increased size of the Group, partly offset by an underlying working capital improvement. Currency movements also increased the reported first quarter outflow. Capital expenditure of €99 million in the quarter was €2 million higher than the same quarter in 2014. This increase reflected a €40 million reduction in Metal division capital expenditure, as the Group's investment project was completed, offset by a €42 million increase in the Glass division principally attributable to the enlarged Glass North America business as well as the impact of currency effects. Restructuring spend of €13 million was €10 million higher than in the same period in 2014, as a result of timing and continued cost reduction measures. Interest payments in the first quarter of €76 million were €61 million higher than the first quarter of 2014, as a result of timing and currency effects. Tax paid during the quarter was in line with the prior year. Free cash flow in the first quarter before exceptionals was an outflow of €71 million, compared with a €42 million outflow in the same period in 2014.

Outlook

The Group remains focused on the achievement of further progress in 2015 through organic improvement and the development initiatives already in place in its Glass and Metal operations.

Financing and Investment Activity

On 12 February 2015, the Group redeemed its €180 million 8.75% Senior Notes due 2020 at a redemption price of 104.375% plus accrued and unpaid interest. The redemption was funded from the Group's internal resources.

Footnotes to the Selected Financial Information

(1) EBITDA is operating profit before depreciation, amortisation, 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) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

(2) The exceptional items referred to in the preceding tables 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, and provisions.

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

(6) Debt service costs represent net finance expense excluding exceptional finance items, net pension interest costs, foreign exchange gains and losses, gains and losses on derivatives not designated as hedges, and other finance expenses.

(7) Capital expenditure is the sum of purchases 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 13.

(8) Cash includes restricted cash with the exception of restricted cash held in escrow.

(9) Total borrowings include all bank borrowings as well as vendor loan notes, subordinated loan 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, deferred debt issuance costs and the fair value of associated derivative financial instruments

ArdaghGroup

Financial Statements

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Note	31 March 2015 €m Unaudited	31 December 2014 €m Audited
Non-current assets			
Intangible assets		1,905	1,762
Property, plant and equipment	3	2,338	2,223
Derivative financial instruments		94	40
Deferred tax assets		214	184
Other non-current assets		10	10
		4,561	**4,219**
Current assets			
Inventories		879	770
Trade and other receivables		827	692
Derivative financial instruments		2	2
Restricted cash		9	9
Cash and cash equivalents		146	403
		1,863	**1,876**
TOTAL ASSETS		**6,424**	**6,095**
Equity attributable to owner of the parent			
Ordinary shares		-	-
Capital contribution		101	101
Other reserves		(242)	(105)
Retained earnings		(1,376)	(1,306)
		(1,517)	**(1,310)**
Non-controlling interests		2	2
Total equity		**(1,515)**	**(1,308)**
Non-current liabilities			
Borrowings	4	5,454	5,181
Employee benefit obligations	5	848	723
Deferred tax liabilities		487	455
Provisions		43	33
		6,832	**6,392**
Current liabilities			
Borrowings	4	4	4
Interest payable		90	80
Derivative financial instruments		7	7
Trade and other payables		888	803
Income tax payable		78	67
Provisions		40	50
		1,107	**1,011**
Total liabilities		**7,939**	**7,403**
TOTAL EQUITY and LIABILITIES		**6,424**	**6,095**

CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)

	31 March 2015			31 March 2014		
	Before exceptional items €m	Exceptional items €m	Total €m	Before exceptional items €m	Exceptional items €m	Total €m
Revenue	1,207	-	1,207	968	-	968
Cost of sales	(1,002)	(7)	(1,009)	(815)	(3)	(818)
Gross profit	**205**	**(7)**	**198**	**153**	**(3)**	**150**
Sales, general and administration expenses	(65)	(2)	(67)	(57)	(8)	(65)
Intangible amortisation	(26)	-	(26)	(10)	-	(10)
Operating profit/(loss)	**114**	**(9)**	**105**	**86**	**(11)**	**75**
Finance expense	(89)	(10)	(99)	(81)	(8)	(89)
Profit/(loss) before tax	**25**	**(19)**	**6**	**5**	**(19)**	**(14)**
Income tax charge			(16)			(4)
Loss for the period			**(10)**			**(18)**
Loss attributable to:						
Owners of the parent			(10)			(18)
Non-controlling interests			-			-
Loss for the period			**(10)**			**(18)**

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)

	31 March 2015 €m	31 March 2014 €m
Loss for the period	**(10)**	**(18)**
Other comprehensive income:		
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation adjustments:		
-Arising in the period	(144)	(3)
	(144)	**(3)**
Effective portion of changes in fair value of cash flow hedges:		
-New fair value adjustments into reserve	(46)	-
-Movement out of reserve	53	-
	7	**-**
Items that will not be reclassified to profit or loss		
-Re-measurements of employee benefit obligations	(79)	-
-Deferred tax movement on employee benefit obligations	19	-
	(60)	**-**
Other comprehensive expense for the period	**(197)**	**(3)**
Total comprehensive expense for the period	**(207)**	**(21)**
Attributable to:		
Owners of the parent	(207)	(21)
Non-controlling interests	-	-
Total comprehensive expense for the period	**(207)**	**(21)**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2015 (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 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)**

	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 2014	101	(823)	47	(5)	**(680)**	2	**(678)**
Loss for the period	-	(18)	-	-	**(18)**	-	**(18)**
Other comprehensive expense	-	-	(3)	-	**(3)**	-	**(3)**
31 March 2014	**101**	**(841)**	**44**	**(5)**	**(701)**	**2**	**(699)**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)

	Note	31 March 2015 €m	31 March 2014 €m
Cash flows from operating activities			
Cash generated from operations	9	90	53
Interest paid		(76)	(25)
Income tax paid		(3)	(7)
Net cash from operating activities		**11**	**21**
Cash flows from investing activities			
Purchase of property, plant and equipment		(102)	(97)
Purchase of software and other intangibles		(2)	(2)
Proceeds from disposal of property, plant and equipment		5	2
Net cash used in investing activities		**(99)**	**(97)**
Cash flows from financing activities			
Proceeds from borrowings		20	-
Repayment of borrowings		(188)	(2)
Early redemption premium costs		(8)	-
Deferred debt issue costs		(2)	(16)
Net outflow from financing activities		**(178)**	**(18)**
Net decrease in cash and cash equivalents		**(266)**	**(94)**
Cash and cash equivalents at beginning of the period		412	294
Exchange gains on cash and cash equivalents		9	2
Cash and cash equivalents at end of the period		**155**	**202**

1. General information

Ardagh Packaging Holdings Limited ("APHL" or the "Company", and collectively with its subsidiaries the "Group") was incorporated and registered in the Republic of Ireland as a private company on 5 August 2005. Its ultimate parent company is Ardagh Group S.A..

APHL is a holding company for the Group's Glass Packaging and Metal Packaging businesses and is the parent guarantor for all of the Senior Secured Notes, Secured Notes and Term Loan listed in Note 4.

The Company's Registered Office is:
4 Richview Office Park
Clonskeagh
Dublin 14
Ireland

Statement of directors' responsibilities

The Directors are responsible for preparing the condensed consolidated interim financial information. 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 information, 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 information 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 information.

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 information was approved for issue by the Board of Directors (the "Board") on 27 April 2015.

2. Summary of significant accounting policies

Basis of preparation

This condensed consolidated interim financial information for the three months ended 31 March 2015, has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the Annual Report for the year ended 31 December 2014, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The condensed consolidated financial information presented in this interim report does not represent statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act, 1986. Statutory accounts for Ardagh Packaging Holdings Limited for the year ended 31 December 2014 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 information are the same as those applied in the Group's latest Annual Report.

Changes to reportable operating segments

Following the disposal of the Group's Metal Packaging operations in Australia and New Zealand on 31 December 2014, the Executive Committee of Ardagh Group S.A. ("the Executive Committee"), reviews the operating results of Metal Packaging as a single business. Consequently Metal Packaging Europe and Metal Packaging North America are combined as one reportable segment, labelled Metal Packaging.

The three reportable segments for the three months ended 31 March 2015 are Glass Packaging North America, Glass Packaging Europe and Metal Packaging. The prior period comparatives have been represented to include Metal Packaging North America and Metal Packaging Asia Pacific within the Metal Packaging segment.

3. Property, plant and equipment

During the three months ended 31 March 2015, the Group had additions to property, plant and equipment of €66 million (2014: €85 million), and charged depreciation of €64 million (2014: €59 million).

4. Financial assets and liabilities

At 31 March 2015, the Group's available liquidity was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn as at 31 March 2015		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	1,032	-
6.00% Senior Notes	USD	440	30-Jun-21	Bullet	440	409	-
9.250% Senior Notes	EUR	475	15-Oct-20	Bullet	475	475	-
9.125% Senior Notes	USD	920	15-Oct-20	Bullet	920	855	-
7.000% Senior Notes	USD	150	15-Nov-20	Bullet	150	139	-
6.250% Senior Notes	USD	415	31-Jan-19	Bullet	415	386	-
6.750% Senior Notes	USD	415	31-Jan-21	Bullet	415	386	-
USD Term Loan B Facility	USD	693	17-Dec-19	Amortising	693	644	-
HSBC Securitisation Programme	EUR	150	15-Jun-16	Revolving	15	15	135
Bank of America Facility	USD	155	11-Apr-18	Revolving	-	-	144
US Equipment Financing Facility	USD	8	01-Sep-17	Amortising	8	7	-
US Real Estate Financing Facility	USD	6	01-Sep-21	Amortising	6	6	-
Unicredit Working Capital and Performance Guarantee Credit Lines	EUR	1	Rolling	Revolving	-	-	1
Finance lease obligations	GBP/EUR			Amortising	6	6	-
Other borrowings	EUR	4		Amortising	4	4	-
Total borrowings / Undrawn facilities						**5,519**	**280**
Deferred debt issue costs and bond premiums						(61)	-
Net borrowings / Undrawn facilities						**5,458**	**280**
Cash, cash equivalents						(155)	155
Derivative financial instruments used to hedge foreign currency and interest rate risk						(94)	-
Net debt / Available liquidity						**5,209**	**435**

The fair value of the Group's borrowings at 31 March 2015 is €5,548 million (31 December 2014: €5,237 million).

Financing activity

On 12 February 2015, Ardagh redeemed in full the principal amount outstanding of its €180 million 8¾% Senior Notes due 2020. The redemption was funded from the Group's internal resources.

5. Employee benefit obligations

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

6. Segmental analysis

Management has determined the operating segments as Glass Packaging North America, Glass Packaging Europe and Metal Packaging based on the reports reviewed by the Executive Committee. Inter-segment revenue is not material.

Reconciliation of profit/(loss) before tax to EBITDA

	Three months ended	
	31 March 2015 €m	31 March 2014 €m
Profit/(loss) before tax	6	(14)
Finance expense	99	89
Operating profit	**105**	**75**
Depreciation and amortisation	90	69
Exceptional operating items	9	11
EBITDA	**204**	**155**

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

	Revenue		EBITDA	
	2015 €m	2014 €m	2015 €m	2014 €m
Glass Packaging North America	398	161	77	37
Glass Packaging Europe	337	327	63	64
Metal Packaging	472	480	64	54
Group	**1,207**	**968**	**204**	**155**

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 2015 €m	31 March 2014 €m
Plant start-up costs	(7)	(3)
Restructuring costs	-	(1)
Other	-	1
Exceptional items – cost of sales	**(7)**	**(3)**
Acquisition related costs	(2)	(7)
Exceptional restructuring costs	-	(1)
Exceptional items – sales, general and administration expenses	**(2)**	**(8)**
Deferred issue costs written-off and other debt settlement costs	(10)	-
Interest payable on VNA acquisition notes	-	(8)
Exceptional items – finance expense	**(10)**	**(8)**
	(19)	**(19)**

2015

Exceptional finance costs of €10 million relate to the €180 million 8¾% Senior Notes due 2020, which were redeemed in full in February 2015.

2014

The €8 million of exceptional finance costs relate to interest incurred on the notes issued in January 2013 to finance the acquisition of VNA which were repaid in accordance with their terms on 17 January 2014, interest incurred on the notes and term loans issued in January 2014 and used to finance the VNA acquisition, and other costs incurred to finance the VNA acquisition.

8. Finance expense

	Three months ended 31 March 2015 €m	Three months ended 31 March 2014 €m
Senior Secured and Senior Notes	(72)	(72)
Term Loan	(6)	(6)
Other interest expense	(2)	(2)
Interest expense	**(80)**	**(80)**
Net pension interest costs	(6)	(4)
Foreign currency translation (losses)/gains	(3)	3
Finance expense before exceptional items	**(89)**	**(81)**
Exceptional finance expense (Note 7)	(10)	(8)
	(99)	**(89)**

9. Cash generated from operations

	Three months ended 31 March 2015 €m	Three months ended 31 March 2014 €m
Profit/(loss) before tax	**6**	**(14)**
Adjustments:		
Depreciation	64	59
Amortisation	26	10
Finance expense before exceptional items (Note 8)	89	81
Exceptional items (Note 7)	19	19
EBITDA	**204**	**155**
Movement in working capital	(84)	(79)
Exceptional acquisition related, disposal and plant start-up costs paid	(17)	(20)
Exceptional restructuring paid	(13)	(3)
	90	**53**

10. Related party transactions

There were no transactions with related parties as disclosed in the 2014 APHL Annual Report, that had a material effect on the financial position or the performance of the Group.

11. Contingencies and commitments

There have been no significant changes in any of the Group's contingent assets or liabilities and commitments (including purchase commitments) requiring additional separate disclosure as at 31 March 2015.

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

There have been no material events subsequent to 31 March 2015 which would require disclosure in this report.

ArdaghGroup

Ardagh Finance Holdings S.A.

INTERIM STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Note	31 March 2015 €m Unaudited	31 December 2014 €m Audited
Non-current assets			
Other financial asset		400	400
Receivable from subsidiary		943	865
		1,343	**1,265**
Current assets			
Receivable from parent company		24	3
Cash and cash equivalents		2	2
		26	**5**
TOTAL ASSETS		**1,369**	**1,270**
Equity attributable to owners of the parent			
Ordinary shares		-	-
Share premium		400	400
Retained earnings		1	1
Total equity		**401**	**401**
Non-current liabilities			
Borrowings	1	942	864
		942	**864**
Current liabilities			
Interest payable		24	3
Payable to subsidiary		2	2
		26	**5**
Total liabilities		**968**	**869**
TOTAL EQUITY and LIABILITIES		**1,369**	**1,270**

1. Borrowings

At 31 March 2015 the fair value of borrowings is €924 million (31 December 2014: €816 million).


ArdaghGroup
www.ardaghgroup.com