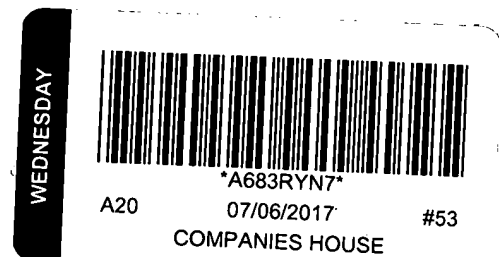


***Creating the
world's greatest
food community***



Just Eat plc

Company registration number
06947854 (England and Wales)

Annual Report and Accounts 2016

At Just Eat we operate a leading global marketplace for online food delivery, providing customers with an easy and secure way to order and pay for food from our Restaurant Partners. Since we launched in Denmark in 2001, we have expanded globally into 11 other markets, with a strategy to be market leader in each country in which we operate. Our scale creates compelling network effects.

Front cover
Father and son
team at Moja Indian
& Bangladeshi
Takeaway, Stockton-
on-Tees. Finalist,
North East region, at
the British Takeaway
Awards 2016.

Our values

***Make
Happy***

See page 2

***Razor
Sharp***

See page 12

***Big
Hearted***

See page 34

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Our vision

Our vision is to create the world's greatest food community. We'll achieve this through our purpose, which is to make food discovery exciting for everyone.

For our customers it is about discovering the widest choice and facilitating what they want to eat, when and where.

For our Restaurant Partners it is about working with them to help them reach more customers, supporting their business and driving standards in the industry.

For our colleagues it is about the opportunity to be part of making this happen across the globe, helping to connect 17.6 million customers with our 68,500 Restaurant Partners.

Keep up to date

For more information on our business and all our latest news and press releases simply visit us at: justeatplc.com.

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Make Happy

We aim to provide the widest choice to customers and offer restaurants innovative technology and exclusive partner deals to help them better manage their businesses.

Driving more choice for more occasions

As well as adding a greater selection of restaurants and more cuisine types, we also aim to increase mealtime choices to cater for all takeaway occasions – breakfast, lunch and dinner.

We are working with many top technology brands to connect more customers and provide new ways of ordering, making it easier for food to be delivered or collected. We are also increasing the number of better known brands on our platforms, this is expected to drive the number of potential dining occasions, along with customer frequency and loyalty.

Number of different cuisine types
available on Just Eat

Over 100

Average number of orders
processed per restaurant

2,167 +19%

Our restaurant partnership programme uses our scale to provide great products and services to our estate, such as food, soft drinks, card processing, wifi, broadband, motorbike insurance, business rates advice and finance funding.

Refer to the Chief Executive Officer's review commencing on page 10 for more information

Highlights 2016

A year of strong progress

Operational highlights

- Just Eat processed orders worth £2.5 billion for our Restaurant Partners (2015: £1.7 billion).
- Active Users increased 31 per cent to 17.6 million (2015: 13.4 million).
- Orders placed via mobile devices continued to grow, rising to 73 per cent of Group orders (2015: 66 per cent).
- More than 50 per cent of UK orders⁴ were processed through an Orderpad, our tablet-based order management platform, well ahead of our target to have one third of UK orders processed through this technology by March 2017.
- In line with the Group's strategy to be market leader, Just Eat acquired and integrated businesses in Italy, Spain and Mexico during the year.
- In December, we announced the acquisition of SkipTheDishes in Canada and are pleased with its performance to date.
- The proposed acquisition of hungryhouse in the UK was also announced in December, and remains subject to approval by the Competition and Markets Authority ("CMA").

Financial highlights

Orders¹

+42%

16	136.4m
15	96.2m
14	61.2m

Underlying EBITDA^{1,3}

+93%

16	£115.3m
15	£59.7m
14	£32.6m

Profit before tax²

+164%

16	£91.3m
15	£34.6m
14	£57.4m

Revenues¹

+52%

16	£375.7m
15	£247.6m
14	£157.0m

Operating profit

+104%

16	£72.5m
15	£35.5m
14	£19.0m

Underlying EBITDA margin³

+27%

16	30.7%
15	24.1%
14	20.8%

Net operating cash flow

+31%

16	£97.0m
15	£74.2m
14	£38.1m

Basic earnings per share²

+182%

16	10.7p
15	3.8p
14	9.8p

Adjusted earnings per share³

+85%

16	12.2p
15	6.6p
14	4.2p

1. Highlights that are key performance indicators and are detailed further on page 19.
2. 2014 includes the impact of a one-off, non-cash book gain.
3. Refer to Chief Financial Officer's review commencing on page 24 for full definition of adjusted measures.
4. Based on seven days to 31 December 2016.

Building on our market leadership

I am pleased to announce the Group's results for the year ended 31 December 2016.

Total revenues increased by 52 per cent to £375.7 million (2015: £247.6 million). Underlying EBITDA was up by 93 per cent to £115.3 million (2015: £59.7 million) and profit before tax was up 164 per cent to £91.3 million (2015: £34.6 million). Furthermore, the Group continued to be highly cash generative, with £97.0 million of net operating cash flow (2015: £74.2 million).

In February 2017, we announced that David Buttress will be stepping down as Chief Executive Officer at the end of the first quarter, due to urgent family matters, at which time I will assume the role of Executive Chairman until David's successor is appointed.

On behalf of the Board, I would like to thank David for his outstanding contribution. David has been an incredible leader and colleague, who has earned the respect and loyalty of all who have worked with him. Whilst we have commenced the search for a new Chief Executive Officer, David will leave an experienced leadership team at the helm and will continue on the Board as a Non-executive Director.

During the year, we extended our leadership positions in the 12 markets where we compete and are now profitable in eight of those, on an Underlying EBITDA basis. As well as generating strong organic growth, we remained focused on our strategy of consolidating our number one positions across our markets, acquiring businesses in Spain, Italy, Mexico, Brazil and Canada.

"Just Eat has had another strong year in which we have seen our revenues and Underlying EBITDA continue to grow significantly."

Dr John Hughes CBE, Hon DSc
Chairman

Our agreed acquisition of hungryhouse in the UK is conditional upon receiving regulatory approval. These transactions follow the 2015 acquisition of Menulog, the clear market leader in Australia, where we continue to drive further value from that business.

Our strategy is underpinned by the desire to anticipate and fulfil the needs of consumers and restaurants. As leaders in technology, we will continue to invest in innovation and seek partnerships with others where we can enhance the consumer experience or create additional value to our Restaurant Partners. We will continue to evolve our brand and make the right investments behind it, both to further grow the total market and to increase our share within it.

Corporate governance
Corporate governance has always been important to us, as it provides the structure within which the entrepreneurial culture of the Group can thrive. It enables continued growth in an environment that is both supportive and controlled, while ensuring that shareholder value and stakeholder interests are aligned and can be maximised in the long-term.

*Read more
about corporate
governance
commencing
on page 40*

In my statement last year, I noted that we would become fully compliant with all of the provisions of the UK Corporate Governance Code during the year, and this was achieved on 1 March 2016.

As set out a year ago, Benjamin Holmes and Michael Risman stepped down from the Board as Non-executive Directors following publication of our full year results in 2016.

The Board was delighted to welcome Roisin Donnelly as an Independent Non-executive Director on 17 October 2016. Roisin's track record of success in building brands, coupled with extensive international marketing and digital experience, will be invaluable to Just Eat.

An outstanding team

We appointed Paul Harrison as Chief Financial Officer on 26 September following Mike Wroe's decision to retire on that date. Mike has been a trusted colleague and, since joining Just Eat in 2008, was instrumental in growing Just Eat from a small private company with a big vision, to a large public business with even greater ambitions. I wish him all the best for the future.

Paul has an exceptional history of delivering results at both high growth and large public technology companies. This experience will prove invaluable as we continue to build on this platform and reach new heights in the coming years. Our executive and operational management teams were further strengthened this year to ensure that we have the right experience and skills necessary to expand our market-leading position. On behalf of the Board, I would like to thank the entire Just Eat team for their continued hard work and contribution to our success over this past year.

Looking ahead

While the UK remains our largest market, we are excited by the growth we are seeing in our international businesses. The majority of these markets are much less penetrated than the UK and therefore represent significant opportunity for the Group.

We will continue to build our presence in all our geographies and extend our leadership through investment in our technology, brand and people. In doing so, we are confident of continuing to drive sustainable, profitable growth. The Group is very strongly positioned for the future.

*Read more about
our culture on
page 36*

Dr John Hughes CBE, Hon DSc
Chairman
6 March 2017

At a glance

Creating the world's greatest food community

We have strong local management teams on the ground in each market of operation focused on making food discovery exciting for everyone.

The consumer journey

Postcode

The Just Eat apps and websites enable customers to search for restaurants in their area using a variety of criteria, sorted by cuisine choice and preference for delivery or collection.

Choose restaurant

Customers can make an informed choice by reading previous customer reviews and examining the full menu. Details of the order are sent to the restaurant via proprietary technology in the restaurant.

Payment method

The customer can then choose either to pay securely online or pay cash on delivery/collection. The customer receives a notification once the restaurant has accepted the order.

Delivery method

Once prepared, the customer receives notification when the delivery is on its way or they can choose to collect the order.

Who are our customers?

The biggest single demographic of Just Eat customers is families who, as expected, tend to place orders of higher value, as opposed to our individual customers who typically order for fewer people and have a lower average order value as a result. Lifestyles generally have shifted with customers looking for convenient options that fit with their increasingly busy daily routines.

This, combined with the growing variety of takeaway food, including healthier choices becoming available, has resulted in customers embracing delivered food as a feature of their daily lives.

Who are our Restaurant Partners?

Our Restaurant Partners are wide ranging, from counter-service takeaways to dine-in restaurants, sole proprietors and family-run businesses to branded chains, representing over 100 cuisine types and demonstrating the breadth of choice.

Number of active users
at the end of 2016

17.6m
+31%

Number of restaurants
at the end of 2016

68,500
+11%

Our strategy of improving the consumer experience, bringing greater choice and driving channel shift remains as relevant today as it did at IPO.

Our global coverage

We are the market leader in all of our markets, a key success factor in our sector.

Profitable territory
Investment territory

Canada

Mexico

Brazil

Australia

New Zealand

Outside the UK and Australia & New Zealand, our segments are:

Established Markets, mostly profitable, increasing margins

France
Ireland
Denmark

Canada
Switzerland
Norway

Developing Markets, high potential, earlier stage, investment

Spain
Italy
Mexico

The Group's associate in Latin America, iFood, expanded from Brazil into Colombia and Argentina during 2016. In addition, our Canadian business, SkipTheDishes, which was acquired in December 2016, has a small operation in the USA.

Why invest in Just Eat?

Just Eat is the market leader in all 12 markets in which we operate. During 2016, our average market penetration¹ was only 11 per cent (2015: 7 per cent), leaving substantial opportunities to continue growing our business well into the future.

Read more about the marketplace we operate in on pages 16 and 17

- Established brands and a leader in all markets
- Large and growing addressable market
- Scale and leadership driving long-term profitability
- Executing on strategy
- Strong financial performance and expanding margins
- Highly cash-generative operating model
- Industry-leading technology

1. Management estimate calculated as gross merchandise value divided by the estimated total addressable market.

2016 was a great year for Just Eat and our Restaurant Partners

Just Eat processed orders worth over £2.5 billion for our Restaurant Partners over the year.

This generated revenues of £375.7 million (2015: £247.6 million), up 52 per cent, and Underlying EBITDA of £115.3 million (2015: £59.7 million), up 93 per cent. Profit before tax was up 164 per cent to £91.3 million (2015: £34.6 million). Altogether, an excellent performance.

Strategic progress

In the UK, we continued to drive strong growth in orders, revenues and EBITDA, and saw the market for delivered takeaway food expand to £6.1 billion (2015: £5.5 billion)¹, ensuring plenty of room for further growth. Our international businesses passed a key milestone in becoming profitable for the first time generating £7.2 million of Underlying EBITDA in aggregate. The Danish business recorded its 15th successive year of order growth, reflecting long-term category expansion and operational improvement in the business. Whilst not reflected in our headline numbers, it was great to see iFood, our Latin America associate, continue to grow strongly and achieve profitability this year.

Improving the consumer experience

This year we have seen considerable progress in our product and service offering for both sides of our network. For the consumer we have enhanced the restaurant discovery process and introduced more ways to engage with Just Eat, including digital media players and into the gaming experience, as well as harnessing voice technology, chatbots and augmented reality. With the rollout of Orderpad to more than 10,000 restaurants globally, the number of consumers receiving 'order on its way' notifications continues to increase.

Orderpad technology also brings increased functionality to our Restaurant Partners, and is rapidly becoming the operating system for independent delivery restaurants. In June, we launched our restaurant partnership programme in the UK, using our scale to provide great products and services to our estate. Launching with Booker, the UK's largest food wholesaler, we have also added offers covering soft drinks, card processing, wifi, broadband, motorbike insurance, business rates advice and financing opportunities. To deliver this, we have developed strong relationships with brands such as Coca-Cola, Sky, Global Payments and Funding Circle. We will continue to develop these offers throughout 2017. These initiatives benefit our Restaurant Partners directly and help us towards our vision to build the world's greatest food community.

Bringing greater choice

In 2016, we increased the number of restaurants on our network by a net 7,000 to 68,500 (31 December 2015: 61,500) and gained 4.2 million new active users, highlighting the positive network effects of market leadership. The average number of orders we processed per restaurant increased by 19 per cent.

*Read more about
our strategy on
page 18*

¹. Source: Management estimate based on research performed.

"Just Eat will always favour a two sided marketplace, with restaurants managing last-mile delivery to ensure customer service standards and to gain operational efficiencies. To bring greater choice to the consumer, we will continue to bring delivery to restaurants without that capability."

David Buttress
Chief Executive Officer

Driving channel shift

Our industry is in good health and continues to grow as the consumer chooses greater convenience. Over 51 per cent¹ of takeaway food in the UK continues to be ordered by telephone, and online penetration remains at a significantly lower level across the remainder of our portfolio, representing great potential for future growth.

During 2016, we relaunched the Just Eat brand, starting in the UK, to better reflect both the two-sided nature of our marketplace and the choice available across our network.

In a year in which we consolidated Spain and Italy, two key European markets, we further strengthened the iFood business with two acquisitions in Brazil and Mexico, bolstered our Canadian business and, subject to Competition and Markets Authority approval, agreed the acquisition of hungryhouse in the UK. Following the disposal of our Benelux business, we are now the leader in each of our 12 markets.

"I would like to thank the entire Just Eat team for working tirelessly to grow this business and deliver an industry-leading performance."

Our people

Without exception, every member of our team is critical to our success as a business and key to driving a high performance, entrepreneurial culture. During 2016 we further strengthened our leadership team and welcomed Fernando Fanton as our Chief Product and Technology Officer, and Paul Harrison as Chief Financial Officer.

In February 2017, I informed the Board of my intention to step down as CEO from the end of the first quarter, accepting their offer to become a Non-executive Director. It has been a great privilege to work alongside, and then lead the exceptional team at Just Eat, helping to build from the very first restaurant in the UK to the Company it is today. I know it will continue to be in the best possible hands.

I would like to thank the entire Just Eat team for working tirelessly to grow this business and deliver an industry-leading performance.

Outlook

Just Eat is in a very strong position, operationally and financially. We have the right business model to continue capturing further share of the £23.1 billion of delivered food ordered in our markets. In 2017, despite another year of planned investment, we expect material growth in both revenues and Underlying EBITDA of between £480.0–495.0 million and £157.0–163.0 million respectively.

Pages 4 to 39 of the Annual Report form the Strategic Report

On behalf of the Board


David Buttress
Chief Executive Officer
6 March 2017

PAUL HARRISON
INTERIM CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER

Read more about
our markets on
page 16

Razor Sharp

Being razor sharp is about continuously striving to be the best we can be.

Industry-leading technology

We believe in continuous innovation as well as getting the basics right so that our service remains the most convenient, relevant and reliable.

Just Eat is a high-tech company, and we are always looking for ways to innovate, giving our customers an amazing experience. Customers increasingly expect services like Just Eat to be faster, smarter and more intuitive. Everything we do to make the process convenient, relevant and reliable helps us rise to that expectation.

Previously that could be satisfied by simply meeting the consumer where they are – and we have achieved this by extending access to our platform to digital media players and into the gaming experience.

However, our ambition is far greater. We want to keep pushing technology boundaries to ensure we provide our customers with the best possible service, while at the same time supporting our restaurant estate to grow their business.

We are proud of the progress that our 360-strong technology team has made in the past year. We unveiled our investment in machine learning, with the establishment of a dedicated data pipeline successfully driving artificial intelligence into apps and voice-activated skills.

We have teamed up with the likes of Amazon, Facebook and Microsoft to integrate these innovations into the technology that informs our customers' everyday lives, and we showcased most of this along with industry-first virtual reality at our 'future now' event in November 2016. We also delivered our first order via robot through our ground-breaking partnership with Starship Robots.

We launched our inaugural 'accelerator programme' to assist early stage start-ups in the food tech space through investment, mentoring and business guidance, so that they can benefit from our own experience of what it takes to get a successful food tech business up and running and to bring it to scale.

An area where we are using technology to enhance the customer experience is restaurant discovery. Just Eat customers have access to 68,500 Restaurant Partners, so we have an exciting challenge in helping them discover and choose the most relevant restaurant and meal for themselves. We have worked hard to make it as easy as possible for our customers to find what they want, and we will have new tools to help them tomorrow.

We are now making advanced use of natural language processing ("NLP") technologies on our websites and apps. This technology analyses the content of multiple data sources in real time such as customer reviews and restaurant information to make our search engine even more effective.

For 2017, we will continue to support the rollout of Orderpad to more restaurants and into more markets, and further develop the platform to bring greater functionality to our Restaurant Partners and make it easier for them to communicate with customers to enhance their experience.

Fernando Fanton
Chief Product and Technology Officer

"We want to keep pushing technology boundaries to ensure we provide our customers with the best possible service, while at the same time supporting our restaurant estate to grow their business."

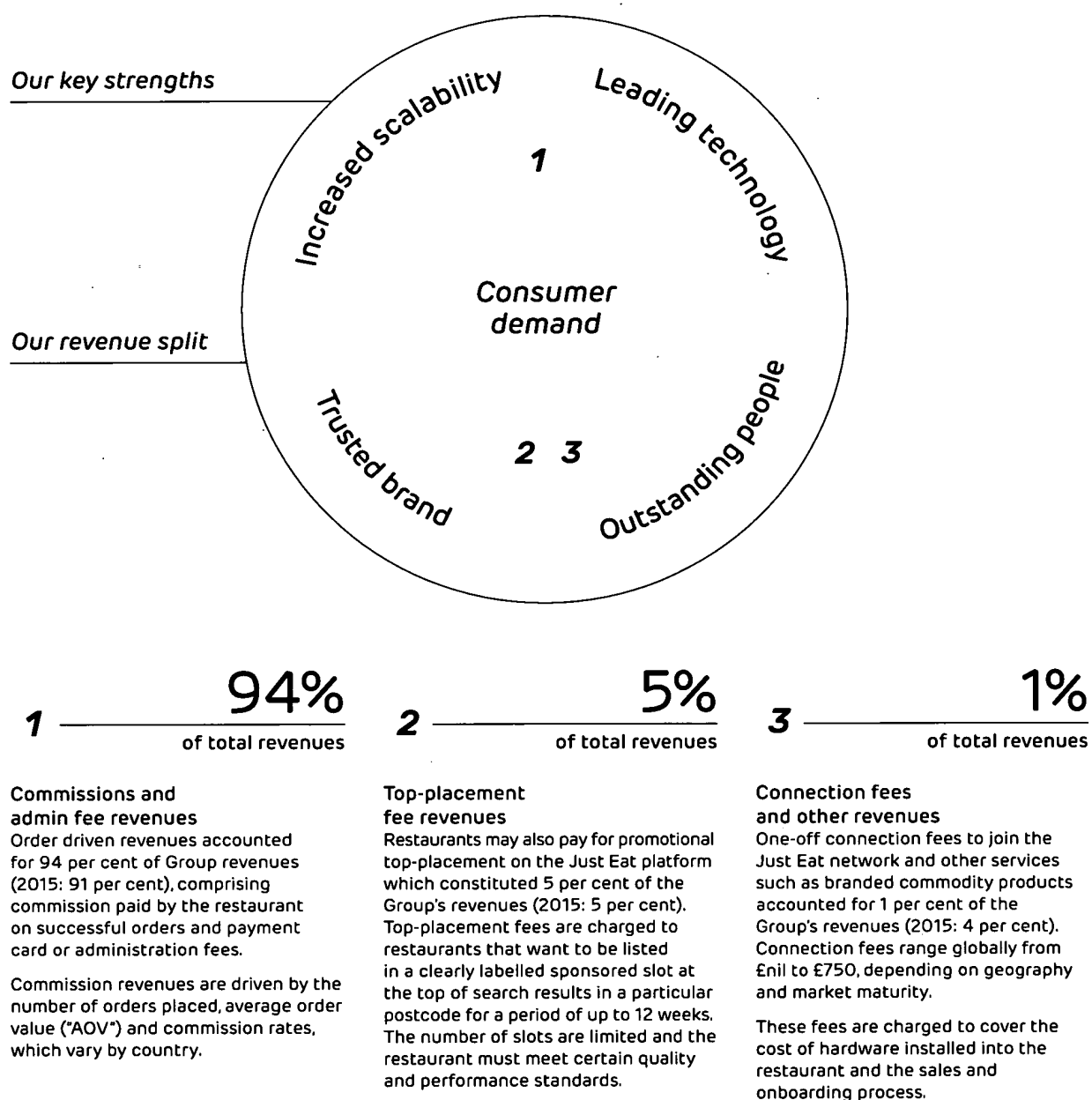
Fernando Fanton
Chief Product and Technology Officer

Our business model

Creating value for our stakeholders

Just Eat operates a scalable business model with a beneficial cash flow cycle, creating value for Restaurant Partners, customers, our people and shareholders, through increasing revenues and profits.

This supports short-term priorities to focus on growth and market leadership, and longer-term priorities including a focus on profit, sustainability and increasing market share.



Restaurant Partners

- Access to Just Eat gives restaurants increased orders of higher value
- Access to a global brand and leading-edge digital technology to maximise their business
- More efficient order processing by reducing time and communication errors
- Partnership programme, providing great products and services to our restaurant estate
- Provision of operational data through Partner Centre

Total order value processed in 2016

£2.5bn

Number of times UK Partner Centre accessed in 2016

14.9m

Read more in our Operational review commencing on page 32

Customers

- A simple ordering process enabling customers to select from favourite restaurants or previous orders and pay with securely stored payment card details
- Convenience of placing an order including via apps, gaming platforms, smart TVs and social media platforms
- Huge choice supported by millions of relevant customer reviews
- Reassurance of ordering from a well known brand and having access to customer service through Just Eat's online or offline support

Reviews on our platforms

22.5m

Net new customers in 2016

4.2m

Read more in our Operational review commencing on page 32

Our people and shareholders

- Driving long-term value for our shareholders
- Just Eat's corporate culture embodies our entrepreneurial spirit
- The growth of the business has provided many opportunities for existing and new colleagues and we continue to invest in developing and retaining our people and strengthening the team

Compound increase in Underlying EBITDA¹

310%²

Employees who would recommend Just Eat as an employer

83%

Read more in our people and community spread commencing on page 36

1. Refer to Chief Financial Officer's review commencing on page 24 for the full definition of adjusted measures.

2. Five-year CAGR calculated from 2011 to 2016.

Market overview

We operate in markets of scale with significant structural growth drivers

Our marketplace is dynamic, exciting, fast-growing and rapidly evolving, driven by secular consumer trends as people seek greater food convenience and develop a broader food palate.

Demand is driven by:

- takeaway being viewed as part of the weekly routine;
- simplicity, speed and efficiency – storing of card details, making it easier to process an order for both customers and restaurants;
- customer desire for choice – over 100 cuisine categories;
- customer reviews, being a trusted source of information;
- restaurants wanting access to digital customers;
- increasing adoption of eCommerce; and
- increasing mobile penetration.

Our markets

The optimal market for Just Eat is one with a strong culture of delivered takeaway food, with a highly fragmented supply side and where the consumer is comfortable transacting online. This has been key in choosing those territories in which we invest and Just Eat is now market leader in all our markets around the world in which we operate. Those markets were estimated to represent a total addressable market of £23.1 billion¹ in 2016, of which the UK is the largest single market at £6.1 billion¹.

Since the first Just Eat website was launched in Denmark in 2001, we expanded globally, now in the UK, Ireland, Canada, Norway, Spain, Italy, Switzerland, Brazil, France, Mexico, Australia and New Zealand.

Whilst the UK is the largest of Just Eat's operations in terms of number of orders, active customers and Restaurant Partners, our international markets now

represent more than one-third of total Group revenues and in 2016, for the first time, were profitable in aggregate at an Underlying EBITDA level.

In the UK, online ordering has grown faster than GDP, driven by the factors listed to the left². This channel shift is similar to the migration towards the use of the internet by customers in other highly fragmented markets, such as travel, insurance, entertainment tickets, classified advertising and restaurant bookings. Around 51 per cent¹ of takeaway orders for delivery are still placed on the telephone, demonstrating the remaining opportunity for Just Eat to convert those customers to ordering via our platform.

Whilst the UK is one of the most developed markets in the world for delivered takeaway food, in aggregate, the £2.5 billion of order value processed through Just Eat globally represented only 11 per cent¹ of our total addressable market.

Growth

In addition to achieving strong organic growth, we will continue to consider M&A to achieve our strategic objective of being the market leader in each country in which we operate, whilst remaining financially disciplined.

2016 was another acquisitive year for the Group. In February, we agreed the acquisition of La Nevera Roja ("LNR") in Spain, PizzaBo/hellofood in Italy and hellofood in Brazil and Mexico. These businesses were highly complementary to Just Eat's existing businesses in these markets, bringing additional scale, focus and new talent to our local operations. The acquisition of the Spanish business was subject to regulatory approval from the local competition authority, which was received in April. Hellofood Brazil was subsequently sold to our Latin America associate (iFood). In addition, we sold a 49 per cent stake in our enlarged Mexico business to an associate in which we hold a 33 per cent interest, giving us a 67 per cent holding on a look-through basis. This associate is 67 per cent owned by Mobile Mobile Commerce Holdings S.L.

In August, the Group agreed the sale of its Benelux business to Takeaway.com. The Benelux business was not well positioned to drive sustainable profitability and the disposal is in line with our strategy to achieve long term growth in each country in which we operate.

Our marketplace is dynamic, exciting, fast-growing and rapidly evolving, driven by secular consumer trends as people seek greater food convenience and develop a broader food palate.

We acquired the number two operator in Canada in December. SkipTheDishes is a fast growing business with limited geographic overlap operating a complementary, delivery-focused business model. Together we now have the attributes to win in the unique Canadian market. Concurrently, we announced the acquisition of hungryhouse in the UK, which remains subject to approval by the CMA and is therefore not reflected in our 2016 results.

What is the future?

Given that we see no greenfield opportunity in any market of potential scale, we are focused on the significant opportunities for Just Eat to increase its orders, revenues and operating profits within our current markets based on the relatively low customer penetration in most countries. In time, there is also the opportunity to further address the collection market,

chain restaurants and delivery via third parties. The opportunities to utilise our scale and significant data resources for the benefit of both our Restaurant Partners and customers are huge.

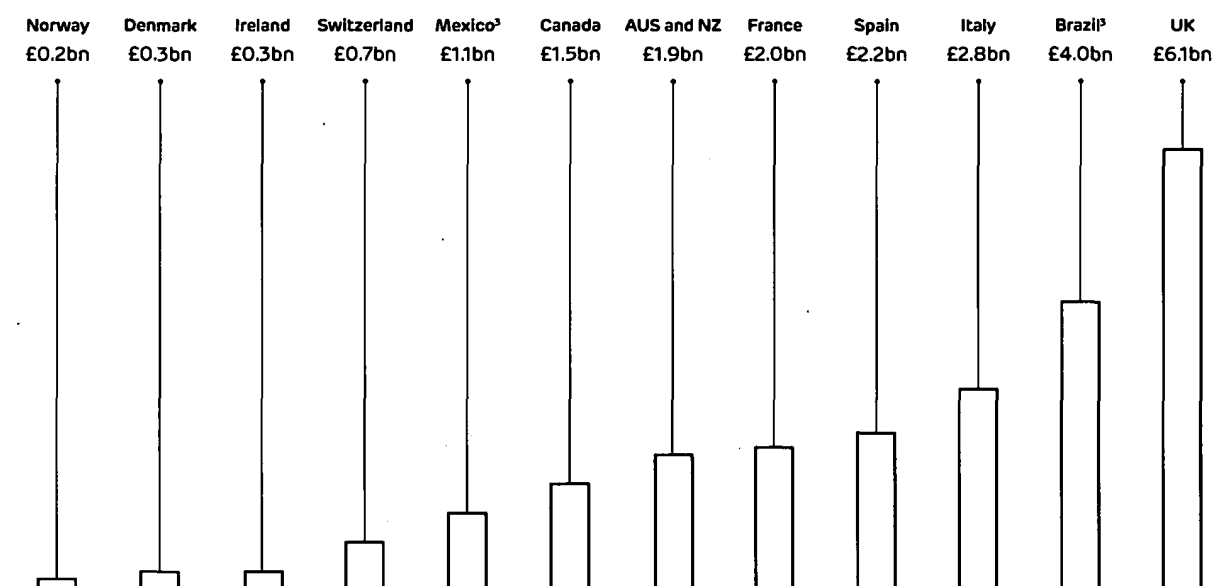
A single brand

We operate under the Just Eat brand in the majority of our markets. The remainder operate under the strong local brands they traded under at the time the businesses were acquired. Over the medium term we intend to convert our wholly owned markets to the Just Eat brand.

1. Source: Management estimate based on research performed.
2. Source: "Consumer Foodservice in the UK" by Euromonitor and EIU.
3. On a 100 per cent ownership basis.

Our total market opportunity

£23.1bn



Our strategy

Our strategic initiatives

Our strategy is focused on three interlinking pillars which work both individually and collectively to drive our vision of creating the world's greatest food community and being market leader in each country in which we operate.

	What we are doing	Why it's important
1 <i>Improving the consumer experience</i>	<ul style="list-style-type: none">• Stability, security and scalability of our platforms are key to ensuring that customer orders get through to our Restaurant Partners.• Over 50 per cent of UK orders were processed via Orderpad, enabling 'order on its way' notification, which helps to drive customer loyalty. We are commencing international rollout of this technology.	<ul style="list-style-type: none">• We continue to innovate our customer offer, harnessing new technology and bringing Just Eat access to even more devices.• Better information is key to empowering customers to make informed choices. Reviews, which can only be placed by those who have completed an order, offer valuable insight and at year end we had 22.5 million reviews across all our platforms (31 December 2015: 13.5 million).
2 <i>Bringing greater choice</i>	<ul style="list-style-type: none">• Choice across the sector has continued to expand as we add more great, local restaurants as well as global brands. Our model allows us to add restaurants that do their own delivery, as well as those that require third-party couriers.	<ul style="list-style-type: none">• Increasing the number of restaurants from which our customers can order (68,500 restaurants at year end) is important, as is increasing the dining opportunities and different cuisine types available.• Apart from scale, efficiency and the ability to reach digital customers, part of our attraction to restaurants is our ability to help them maximise their profits using Partner Centre, our dedicated business management tool to access valuable data insight.
3 <i>Driving channel shift</i>	<ul style="list-style-type: none">• Brand investment contributes to customer loyalty, and during the year we brought our new vision to life via a major brand relaunch initially in the UK ahead of being rolled out to other markets.	<ul style="list-style-type: none">• In the majority of markets, the shift from telephone to online ordering is still in its early stages, which offers significant opportunity for future growth. The shift to app varies by market and is still growing, with 44 per cent of Group orders placed in this way (2015: 38 per cent).• Shifting customer ordering from offline to online also benefits our Restaurant Partners as online orders have a higher average order value, whilst evidence to date shows that app users order more frequently than non-app users.

Our key performance indicators

Measuring our success

The success of our strategy is measured through a select set of key performance indicators ("KPIs"). These ensure we focus our resources appropriately.

Link between KPIs and Executive Director remuneration on page 71

Orders

+42%

16	136.4m
15	96.2m
14	61.2m

Definition and calculation

Number of successful orders placed.

Purpose

The number of orders the Group processes for the restaurants on our platforms is a direct measure of our relevance to all stakeholders.

Link to strategy

1 2 3

Revenues

+52%

16	£375.7m
15	£247.6m
14	£157.0m

Definition and calculation

Total of all revenues generated by the Group.

Purpose

Revenues enable the Group to measure top-line growth, resource levels and investment needs and to ultimately determine the viability of the business.

Link to strategy

1 2 3

Underlying EBITDA

+93%

16	£115.3m
15	£59.7m
14	£32.6m

Definition and calculation

Earnings before interest, tax, depreciation and amortisation, additionally adjusted as disclosed in the Chief Financial Officer's Review commencing on page 24.

Purpose

This measure enables the Group's operational and segmental performance to be understood, accurately reflecting key drivers for long-term profitability. Growing Underlying EBITDA generates further profits to be reinvested or distributed to shareholders.

Link to strategy

1 2 3

Average revenue per order ("ARPO")

+10%

16	£2.59
15	£2.35
14	£2.29

Definition and calculation

Total of commission revenues and admin fees, divided by total orders.

Purpose

ARPO is a key driver of revenues, along with the number of orders processed.

Link to strategy

2

Active users

+31%

16	17.6m
15	13.4m
14	8.1m

Definition and calculation

Number of customers who have placed at least one order within the last 12 months at the reporting date.

Purpose

Increasing the number of active users is one outcome the Group uses to measure the successful level of channel shift from offline to digital ordering.

Link to strategy

1 2 3

Number of restaurants

+11%

16	68,500
15	61,500
14	45,700

Definition and calculation

The number of Restaurant Partners capable of taking orders across all Just Eat platforms at the reporting date.

Purpose

Providing greater choice is one of the Group's strategic initiatives. One element of providing greater choice to customers is to enable access onto our platforms to a growing number of restaurants and cuisine types.

Link to strategy

1 2 3

Principal risks and uncertainties

The Group operates a rigorous risk management process

The Board is responsible for ensuring that the exposure to risk is effectively managed across the Group. It recognises that rigorous safeguards and management processes are required to mitigate these risks.

The Board has carried out a robust assessment of the principal risks facing the Group. This included those that would threaten its business model, future performance, solvency or liquidity to ensure the principal risks and uncertainties were properly identified, evaluated, prioritised and addressed.

During the course of the year, the Board defines the risk appetite and monitors the management of significant risks to ensure that the nature and extent of the significant risks taken by the Group are aligned with the overall goals and strategic objectives that have been communicated.

The Group's risk appetite influences the culture of our business and how we operate, and this is reflected in our risk management framework as detailed on the following page.

New and existing risks were identified and assessed over the course of the year as the Group's overall risk profile continued to evolve. The Executive Team and the Board performed further analysis to prioritise these risks, with a focus on those considered to pose the greatest risk to achieving our objectives. None were deemed to be principal risks.

There are business risks faced by Just Eat, such as those disclosed within Note 35, which are generally faced by other comparable online businesses. However, there are also more specific risks and uncertainties that affect our business or specific industry.

The principal risks presented on the following pages are those risks considered by the Board to have a potentially material impact on the Group not achieving its strategic objectives. There are additional risks that the Group is exposed to that are not considered material but could have an adverse impact.

The EU referendum

The vote in favour of the UK leaving the EU ("Brexit"), has increased the level of macroeconomic uncertainty. Whilst we will remain vigilant, our experience in multiple countries suggests that our growth is typically unaffected in such an environment as overall consumer demand for online takeaway food continues. We have therefore not considered post-Brexit uncertainty to be a principal risk for the Group.

We are an increasingly international business with over one-third of Group revenues being in currencies other than sterling. Should current post-Brexit GBP weakness continue, our reported sterling revenues would be higher.

During 2016, our international businesses generated a small net Underlying EBITDA profit and therefore any foreign exchange impact has been limited.

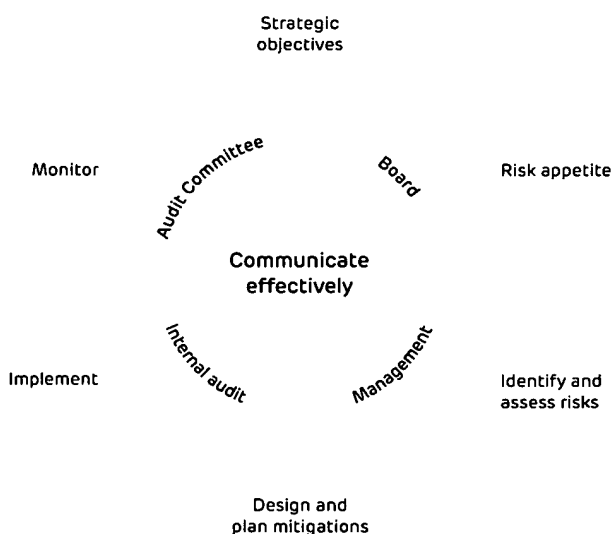
During 2016, the Board reduced the priority of the principal risk of the Group's culture changing, which was a principal risk in the previous year. Mitigating actions taken throughout the year have lessened the risk to a level that the Board no longer considers to be a principal risk in the current year. The risk factors described on the following pages are not an exhaustive list of all risks. The Group continually monitors and evaluates all these risks.

Risk management framework

The exposure to risk is an inherent part of running a business and the Board recognises that rigorous safeguards and a sound risk management process are required to mitigate these risks. Risk is an agenda item at Board meetings and the overall process for identifying and assessing business risks and managing their impact on the Group is continually under review. The risk management process follows a sequence of risk identification, assessment of probability and impact. An owner is then assigned to each risk to manage mitigation activities.

The Executive team supports the Board in monitoring the exposures through regular reviews and a register is kept of all corporate risks. The risk register and the methodology applied are the subject of continuous review by senior management and they are updated to reflect new and developing areas which might impact business strategy. Where exposures are outside of our appetite these are communicated to the Board alongside actions to reduce the risk.

This approach to risk management helps to facilitate top-down and bottom-up perspectives across key business risks within the organisation. The corporate risk register is presented to, and reviewed by, the Audit Committee on a regular basis.



Viability statement

In accordance with provision C.2.2 of the 2014 revision of the Code, the Board assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision. The Board conducted this review for a period of three years, which was selected for the following reasons:

- the Group's strategic plan covers a three-year period; and
- the significant growth profile anticipated for the Group both organically and by acquisition means that forecasting beyond three years is more subjective; hence, the Board believes a three-year period is the most appropriate.

The three-year strategic plan considers the Group's cash flows, forecasted Underlying EBITDA, investment in areas such as marketing and technology and other key financial ratios over the period. These metrics are subject to sensitivity analysis, which involves flexing a number of the main assumptions underlying the forecast both individually and in unison to ensure the business is still viable in a stressed environment and any additional financing requirements are identified. The sensitised scenario models the impact of the Group's principal risks materialising. This includes a fall in orders due to a total outage from an unmitigated technology failure, an unexpected change in legislation and a sudden and sustained inability to process card payments, all of which are considered individually unlikely but have been combined to form a "reasonable worst case" scenario.

The three-year strategic plan does not include cash flows in respect of future mergers and acquisitions. The Board has assumed that any decisions on future acquisitions will have regard to the Company's financial position and future cash flows at that time, and that funds will be raised if needed in order for the Company to be able to continue in operation and meet its liabilities as they fall due.

Based on the results of this analysis, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have made appropriate enquiries and have considered the Group's cash flows, liquidity position, borrowing facilities and business activities as set out on page 90, in Note 35 to the Group's financial statements on pages 117 to 120 and the Group's principal risks and uncertainties as set out on pages 22 to 23.

Based on the Group's forecasts, the Directors are satisfied that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

Principal risks and uncertainties *continued*

Competition and markets

Change in risk status

Strategic focus area

1 2 3

Risk description

The Group faces ongoing competition and potential new entrants to the industry and to the markets in which we currently operate which could result in a loss of market share and a decline in profitability.

Potential impact

Demand for the Group's services and thereby the commission rates it can charge, revenues, margin and, ultimately, its market share could be affected.

Controls to mitigate

In line with our strategic initiatives, we will continue building our existing market-leading positions. This includes focusing on improving the customer experience and providing our Restaurant Partners with more customers and greater value.

Strategic partnerships are being formed to better enable our Restaurant Partners to benefit from our large restaurant network. This creates Restaurant Partner loyalty to Just Eat.

Regulation and legislation

Change in risk status

Strategic focus area

2 3

Risk description

Introduction of new laws, policies or regulations, changes in or challenges to the interpretation or application of existing laws, policies and regulations, or the failure to obtain required regulatory approval or licenses.

In particular in relation to the food industry, but more broadly competition (antitrust), anti-bribery, consumer protection, taxation and reporting:

Potential impact

Costs could be incurred in ensuring compliance with any new laws or regulations. Non-compliance could be damaging to the Group's reputation, and result in penalties and heightened risk in the industry.

New legislation in relation to the food industry could materially impact the behaviour of restaurants and/or consumers to our detriment.

Controls to mitigate

Legislative changes continue to be monitored by our in-house legal, finance, tax and compliance functions and our strategic responses are adjusted for these.

These functions work across the business to ensure we remain compliant with existing regulation and are able to highlight where changes may impact the business.

The Group manages its risk by ensuring that risks are identified and understood at an early stage and that effective compliance and reporting processes are in place.

The Group will monitor carefully future developments that arise out of the result of the UK referendum and will engage in any relevant regulatory processes.

Technology dependency

Change in risk status

Strategic focus area

1 2 3

Risk description

The Group has a high dependency on technology and advanced information systems and, therefore, there is a risk that such technology or systems could fail or could not be scaled rapidly to meet business needs.

In particular, any damage to or failure of, online systems and servers via external attack (such as DDOS) or access to our restaurant devices and other restaurant systems could result in interruptions to consumer services.

Potential impact

The inability to service consumers or Restaurant Partners could result in reputational damage and financial loss.

Controls to mitigate

We have invested and committed considerable resources into upgrading the existing technology, IT infrastructure and communication systems, as well as developing and acquiring new platforms and products.

A continuous testing programme is employed to ensure that functionality of product offerings and services is maintained.

Continual monitoring of the market is performed by a dedicated team to ensure all new developments are assessed for their impact on our operations.

The Group has a business recovery plan to minimise the disruption experienced during any potential service interruption.

The Group carefully monitors all new products in development and invests in high calibre support when required.

Cyber security and data protection

Change in risk status

Strategic focus area

1 2

Risk description

Heightened awareness of Just Eat increases the risk of attacks on our brand, business operations and consumers.

Potential impact

Reputational damage and financial losses arising from penalties and fines, and consumers no longer carry confidence to trade with the Group.

Controls to mitigate

Sophisticated security mechanisms are deployed to ensure all sensitive and confidential data is fully encrypted.

Regular communications are sent to our stakeholders to increase their awareness of potential threats.

We have established processes to detect misuse of systems in order to reduce the likelihood of data loss. Systems are regularly tested and continued investment in infrastructure will ensure they remain robust.

Business growth

Change in risk status

Strategic focus area

1 3

Risk description

Challenges in growing and scaling the business both organically and through mergers and acquisitions.

Potential impact

Fragmentation of new or expanded operations, which are not aligned with the Group's strategy. Loss of control resulting in financial or reputational damage.

Controls to mitigate

We continue to perform extensive due diligence of all new acquisitions and closely monitor the market. A dedicated integration team is established to ensure all the benefits of the new entity are fully maximised and they are integrated into the Group structure to allow the continued growth in that market.

Key

- 1 Improving the consumer experience
- 2 Bringing greater choice
- 3 Driving channel shift

No change

Risk increased

Refer to page 18 for a summary of our strategy

Continuing our track record of strong performance

Group revenues grew 52 per cent year-on-year to £375.7 million. The Group's Underlying EBITDA margin expanded significantly to 31 per cent from 24 per cent as the Group's profitable growth continues.

Introduction

Since taking over as CFO from Mike Wroe on 26 September 2016, I have been delighted to discover a business full of bright individuals who possess a unique energy and entrepreneurial spirit. The systems and processes that Mike put in place have served the Group well. The countries I have visited to date are proud to be part of the Just Eat family and are fully engaged with the Group strategy to maintain our leading position in each market. I would like to thank Mike for building a strong, motivated team which I will continue to strengthen to ensure it remains an effective partner to a rapidly evolving business.

Group performance

All key trading metrics on the Group income statement improved year-on-year. The Group also benefited from the movement in foreign exchange. The year-on-year movement in foreign exchange rates contributed £9.4 million to revenues.

Read more about our markets on page 16

"The performance of the Group for the year ended 31 December 2016 demonstrates the impact of implementing a compelling strategy of being market leader in each territory."

Paul Harrison
Chief Financial Officer

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Continuing operations		
Revenues	375.7	247.6
Cost of sales	(35.2)	(24.2)
Gross profit	340.5	223.4
Long-term employee incentive costs	(3.1)	(2.9)
Exceptional items	(14.6)	(6.6)
Other administrative expenses	(250.2)	(176.2)
Total administrative expenses	(267.9)	(185.7)
Share of results of associates	(0.1)	(2.2)
Operating profit	72.5	35.5
Gain on disposal of Benelux businesses	18.7	—
Net other gains/(losses)	0.1	(0.7)
Finance income	0.6	0.4
Finance costs	(0.6)	(0.6)
Profit before tax	91.3	34.6
Taxation	(19.9)	(11.6)
Profit for the year	71.4	23.0
Basic EPS (pence per share)	10.7	3.8
Adjusted profit (used to calculate adjusted EPS)	81.6	40.4
Adjusted basic EPS (pence per share)	12.2	6.6

The Group's revenues continued to experience significant growth, driven by order growth and by increasing revenues per order and ancillary revenues. The international businesses now generate 37 per cent of total Group revenue (2015: 31 per cent) as they continue to drive channel shift in their under-penetrated markets. These markets continue to follow patterns set out by our more established markets such as Denmark and the UK. Group average revenues per order ("ARPO") increased by 10 per cent from £2.35 to £2.59, driven by a 100bps commission rate increase in the UK, along with an increase in commission rates in Australia and New Zealand.

The growth in revenues has not been achieved at the expense of Underlying EBITDA. All reported segments have seen margins improve. Our marketplace remains competitive and these results reinforce our strategy of being market leader in each territory, since it leads to higher long-term sustainable Underlying EBITDA margins. These leadership positions, combined with the Group's financial discipline and the inherent operational leverage in the business model has resulted in Underlying EBITDA increasing to £115.3 million from £59.7 million and the Underlying EBITDA margin expanding to 31 per cent from 24 per cent in 2015.

The income statement includes some significant fluctuations that are not considered part of normal business operations. These are removed from operating profit to arrive at Underlying EBITDA. We believe this measure more accurately reflects the key drivers of long-term profitability for the Group and removes those items (both positive and negative) which are mainly non-cash or one-off in nature and that do not impact underlying trading performance.

A reconciliation between operating profit and Underlying EBITDA is shown below:

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Operating profit	72.5	35.5
Depreciation and amortisation	24.9	14.8
Long-term employee incentive costs	3.1	2.9
Exceptional items	14.6	6.6
Net foreign exchange losses/(gains)	0.2	(0.1)
Underlying EBITDA	115.3	59.7

Underlying EBITDA also converts strongly to net operating cash flow due to the beneficial working capital cycle of our business model. In the calculation of cash conversion, we have excluded cash due to be remitted to our Restaurant Partners as we do not consider this as part of our day-to-day operating cash balance.

In 2016, 93 per cent of Underlying EBITDA converted to cash (2015: 97 per cent). If exceptional items were excluded, the cash conversion would exceed 100 per cent for both years. The close relationship between Underlying EBITDA and cash demonstrates why management continue to use Underlying EBITDA to assess operational and segmental performance.

M&A activity

It has been another year of significant M&A activity. In February, we agreed the acquisition of La Nevera Roja in Spain, PizzaBo/hellofood in Italy and hellofood in Brazil and Mexico. The Spanish, Italian and Mexican businesses were successfully integrated into the Group operations in the year and we are realising expected synergies. The integration demonstrated our focus on operational excellence and we continue to see very high levels of growth in these markets.

Subsequent to completion of the acquisition, hellofood Brazil was sold to iFood, an associated company of the Group. Additionally, 49 per cent of our enlarged Mexico business was sold to an associate in which we hold a 33 per cent interest, giving us a 67 per cent holding on a look-through basis. The remaining 33 per cent is owned by Mobile Mobile Commerce Holdings S.L. ("Mobile").

In December 2016, we completed the acquisition of SkipTheDishes in Canada. This is a highly complementary addition to our existing Canadian operations and one that bolsters our market-leading position. Due to the timing of the acquisition, the impact on the trading results was not material. SkipTheDishes is a significant online food delivery marketplace in Canada. In addition, it has developed a technologically-advanced delivery platform focused on lower density metropolitan and suburban areas, which are key features of the Canadian market. It has a selection of more than 3,000 unique restaurants and 350,000 active users. For the year ended 31 December 2016, SkipTheDishes had pro forma order growth of 205 per cent.

Also in December, the Group announced its intention to purchase hungryhouse, subject to CMA approval. There are £5.0 million of transaction costs anticipated to be incurred to complete the transaction, which have been included in exceptional items. As part of the transaction, a deposit of £6.0 million was paid for the business and this has been included within current assets. The deposit is refundable in only very limited circumstances, not including an adverse ruling by the CMA.

We believe that these types of disciplined in-fill acquisitions lead to longer-term higher margins as well as more choice for our customers and, for our Restaurant Partners, access to a larger pool of active users with the added benefits of being part of a global brand.

Consistent with our strategy of being the market leader in each country where we operate, we sold our Benelux business in August, resulting in a gain on disposal of £18.7 million.

Chief Financial Officer's review *continued*

Segmental review

The Group has continued to report four operating segments, being the UK, Australia & New Zealand, Established Markets and Developing Markets.

	Year ended 31 December 2016 million	Year ended 31 December 2015 million
Segment orders		
United Kingdom	88.1	67.3
Australia & New Zealand (from 15 June 2015)	13.8	5.9
Established Markets	21.6	17.9
Developing Markets	12.9	5.1
Total orders	136.4	96.2

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Net revenues		
United Kingdom	237.1	169.6
Australia & New Zealand (from 15 June 2015)	36.8	12.4
Established Markets	75.5	55.8
Developing Markets	26.2	9.5
Total segment revenues	375.6	247.3
Head Office	0.1	0.3
Total revenues	375.7	247.6

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Underlying EBITDA		
United Kingdom	121.8	77.6
Australia & New Zealand (from 15 June 2015)	7.6	1.0
Established Markets	13.3	6.4
Developing Markets	(13.7)	(13.9)
Total segment Underlying EBITDA	129.0	71.1
Share of results from equity-accounted associates (excluding depreciation and amortisation)	0.5	(1.9)
Head Office	(14.2)	(9.5)
Total Underlying EBITDA	115.3	59.7

Established Markets comprise Denmark, France, Ireland, Canada, Switzerland, Norway and Benelux, which was sold during the year. The businesses in this segment are further advanced towards maturity and are largely profitable with increasing scale expecting to drive further profitability over the mid-term.

Developing Markets comprise Spain, Italy and Mexico. The businesses in this segment are our earlier stage markets and are much less penetrated than the other segments. These countries are experiencing high rates of growth, and profitability is only expected to follow once further share of the online takeaway delivery market is achieved.

The results of each segment includes its fully allocated share of central technology, product and Head Office costs.

United Kingdom

It has been another successful year for the UK business. Revenues grew 40 per cent to £237.1 million from £169.6 million and Underlying EBITDA grew 57 per cent to £121.8 million from £77.6 million. These are comfortably ahead of order growth of 31 per cent, driven by a 100bps commission increase successfully implemented in April 2016 for existing restaurants, taking them to 13 per cent. New restaurants have been signed at 14 per cent commission since October 2015.

This success has been achieved through a combination of strategies, focused on both improving customer demand and restaurant supply. Key achievements include:

- continuing to increase the number of UK active users, which rose 30 per cent at 31 December 2016 to 9.2 million (31 December 2015: 7.1 million);
- the number of UK orders from mobile devices increasing to 80 per cent (2015: 73 per cent), including 46 per cent from apps (2015: 41 per cent). This shift helps increase customer loyalty and frequency;
- an increase of 8 per cent in ARPO largely due to a 100 bps increase in the standard commission rate in April 2016;
- continued use of strong local activation alongside successful television and radio marketing campaigns. This focus, along with improvements in our last mile visibility and new branding, have all resonated with our customers;
- growing the number of restaurants on the platform to 27,600 and adding branded chains to the supply; and
- building better relationships with Restaurant Partners by enabling them to run their businesses more effectively through the use of our partner centre app. The move to weekly billing improved their cash flows and, by leveraging our scale, we have secured exclusive deals for our Restaurant Partners that enable them to reduce their cost base.

All of these factors contributed to orders increasing 31 per cent to 88.1 million from 67.3 million in 2015. Whilst order growth remains strong, as expected it has slowed and will continue to slow given the scale of our UK business. This trend is in line with our expectations. Therefore, whilst we will continue to drive order growth, we will also focus on maximising revenue streams such as ancillary fees and broadening the reach of our platform to include branded chain restaurants.

The operational leverage at scale has resulted in the Underlying EBITDA margin expanding meaningfully to 51 per cent (2015: 46 per cent). This was achieved with an increase in marketing spend to £38.2 million (2015: £28.4 million), representing 16 per cent of revenues (2015: 17 per cent). Staff costs were 11 per cent of revenues (2015: 14 per cent).

International segments

The success of the UK continues to demonstrate the long-term value of the leadership positions we have built across the rest of our portfolio. Whilst our other markets do not yet have the same absolute scale as the UK, several markets have already shown profitable growth and significant Underlying EBITDA margins. This reinforces our belief in scaling to maximise the strength of our business model.

International segment revenues grew 78 per cent to £138.5 million. On a pro forma constant currency basis (excluding Benelux and including Australia & New Zealand for the full year), international revenues grew 49 per cent year-on-year, as they continue to expand in their markets and, for the first time, are profitable in aggregate.

During 2016, currency movements have been volatile, especially following the result of the EU referendum. Our reported results have benefited from the translational impact of currency movements.

Australia & New Zealand

During the year, we strengthened the management team and processes, executed a brand relaunch for Menulog, and improved both commission and ancillary revenues, whilst benefiting from the synergistic insights created as part of joining the Group.

In the first full year of ownership, the Menulog Group of companies generated revenues of £36.8 million (2015: £12.4 million) and £7.6 million of Underlying EBITDA (2015: £1.0 million). On a pro forma constant currency basis, this represents growth of 64 per cent in revenues and 181 per cent in Underlying EBITDA. We are pleased with this growth in revenue and margin expansion.

Revenue growth was achieved by growing orders to 13.8 million (2015: pro forma 9.7 million, indicating growth of 42 per cent), and also by successfully implementing an increase in commission rates for the majority of the restaurant estate for the first time in the Menulog Group's history. This has contributed towards ARPO increasing 10 per cent year-on-year.

Ancillary revenues now account for seven per cent of the segment's revenues (2015: three per cent). This was principally led by the re-engineered approach to top-placement fees.

There remains work to do in Australia as it runs on two legacy technology platforms, two brands and is weighted towards major cities, which is consistent with what we have seen in our other acquisitions. However, we have acquired a strong, market-leading business and during 2016, added considerable management talent. We are, therefore, confident that we will continue to strengthen this business throughout 2017.

Established Markets

This segment combines six territories with a range of growth rates that represent similar relative maturity and market positions. Included within this segment, ranked by order numbers, are Denmark, France, Ireland, Canada, Switzerland and Norway. Previously this segment also included our Benelux business, which was sold in August 2016.

The segment generated revenues of £75.5 million (2015: £55.8 million) and Underlying EBITDA of £13.3 million (2015: £6.4 million). On a constant currency like for like basis¹, this represents growth of 25 per cent in revenues and 59 per cent in Underlying EBITDA.

The Danish business, our most mature market, delivered its 15th successive year of order growth and has again achieved double-digit revenue growth on a constant currency basis. At the time of the IPO, this market demonstrated the long-tail of growth and margin potential that we expect to see as our businesses become more established. Since then, this business has continued to grow and expand margins, setting the benchmark for other companies in this segment.

Excluding Benelux and Denmark, the revenues for the remaining businesses grew 45 per cent and Underlying EBITDA grew to £5.4 million, meaning the margin improved to 10 per cent from 2 per cent.

Our operations in Canada were further strengthened by the acquisition of SkipTheDishes, which is expected to remain in a high growth phase over the medium term.

1. Like for like excludes Benelux as the operations were sold in August 2016.

Chief Financial Officer's review *continued*

International segments *continued*

Developing Markets

This segment consists of our high potential, but earlier-stage markets of Spain, Italy and Mexico.

The segment generated revenues of £26.2 million (2015: £9.5 million) and Underlying EBITDA losses were reduced to £13.7 million (2015: £13.9 million). On a constant currency basis, this represents growth of 147 per cent in revenues and 9 per cent in Underlying EBITDA. The main driver of growth was orders, which grew 153 per cent year-on-year.

In February, we agreed the acquisition of PizzaBo/hellofood in Italy, hellofood in Brazil and Mexico and La Nevera Roja in Spain. The Spanish, Italian and Mexican businesses were successfully integrated into the Group operations in the year. The integration demonstrated our focus on operational excellence and we continue to see very high levels of growth in these markets.

Subsequent to acquisition, hellofood Brazil was sold to iFood, an associated company of the Group. Additionally, 49 per cent of our enlarged Mexico business was sold to an associate in which we hold a 33 per cent interest, giving us a 67 per cent interest on a look-through basis. The remaining 33 per cent is owned by Mobile Mobile Commerce Holdings S.L. ("Movile").

We will continue to invest in our Developing Markets and, following the acquisitions mentioned above, we see a clear route to profitability in this segment.

Share of results from associates

In 2016, iFood was the market leader in Brazil generating revenues of £28.8 million, up 224 per cent year-on-year. This was principally as a result of a 160 per cent increase in orders to 24.2 million (2015: 9.3 million).

Brazil has huge long-term potential and the success of the local team in capturing this potential results in the creation of a very valuable asset in Brazil, which is not reflected in our Group headline numbers.

Head Office costs

Head Office costs were £14.2 million (2015: £9.5 million), reflecting the increase in headcount required to build a great technology company.

These include both the ongoing central costs of operating the Group as a whole and those functions required for efficiency of shared expertise, such as the marketing, finance, legal, HR and the Business Insights data teams. Those Head Office costs that can be reasonably attributed to individual segments are allocated on a consistent basis and, therefore, the reported Head Office costs are those costs that remain after such allocations.

The Group's product and technology costs were £47.0 million (2015: £28.4 million). The relevant operating costs associated with running the technology and product teams are allocated to the businesses that use the core technology. This includes the full cost of support and development including all hosting, maintenance, innovation and engineering.

We continue to invest in our technology and have established a central team whose goal is to create a single, core platform suitable for all our markets. This team grew to 360 people (2015: 301) in the year and continues to be an area of significant additional investment.

Our technology investment also drives greater efficiency in our business by enabling us to make better use of our capital. For example, our spend in marketing will be more effective following our investment in eCRM tools as it is cheaper to reactivate existing customers than it is to acquire new customers. This technology is helping to improve relationships with restaurants, which should minimise churn rates, and it is also helping our operations team achieve greater scale, as evidenced by the improving margins.

We are increasing spend on innovation to enhance future growth rates and profitability. When these costs meet the relevant requirements they are capitalised. Specific, identifiable development costs totalling £6.6 million were capitalised in the year (2015: £2.0 million).

We have continued to make important senior hires, completed significant M&A, further expanded the technology and product teams and invested in training and development, in order to meet the challenges of running a high growth business in a rapidly evolving sector.

Items outside of Underlying EBITDA

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Amortisation – Acquired intangible assets	15.8	8.9
Depreciation and amortisation – Other assets	9.1	5.9
Long-term employee incentive costs	3.1	2.9
Exceptional items (see Note 5)	14.6	6.6
Net foreign exchange losses/(gains)	0.2	(0.1)

Amortisation

The amortisation charge principally related to the intangibles acquired as a result of the acquisitions completed by the Group over recent years. The main assets acquired are the restaurant contracts, the brands of the acquired businesses and any intellectual property, typically relating to the underlying technology platform. The total charge for 2016 included £15.8 million (2015: £8.9 million) relating to acquired intangible assets.

Depreciation

The depreciation charges mainly related to the JCT and Orderpad terminals that are sited in the vast majority of the restaurants on the Just Eat network. They are depreciated over three years.

Long-term employee incentive costs

Long-term employee incentive costs of £3.1 million (2015: £2.9 million) primarily relate to share awards granted to employees, recognised over the vesting period of the awards.

Exceptional items

Exceptional items of £14.6 million (2015: £6.6 million) include M&A transaction costs and acquisition integration costs relating to Australia, Spain, Italy, Mexico and Brazil.

Net foreign exchange loss

A net foreign exchange loss of £0.2 million (2015: £0.1 million gain) arose due to retranslating monetary assets and liabilities not in the functional currency of the subsidiary.

Items below operating profit

Other gains and losses

The business has recorded a mix of non-operational gains and losses on several items during the year.

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Gain on disposal of Benelux businesses	18.7	—
Movement in minority shareholders' buy-out provision	—	(0.2)
Gain on disposal of Achindra Online Marketing Private Limited	—	3.0
Losses on financial instruments	—	(3.9)
Fair value gain/(loss) on other investments	0.5	(0.1)
Other (losses)/gains	(0.4)	0.5
Total net gains/(losses)	0.1	(0.7)

In August 2016, the Group recognised a gain of £18.7 million on the sale of its Benelux business to Takeaway.com.

Net finance income

The finance income results from interest on deposits held. In 2016 this was offset by the fees associated with the Group's £200.0 million revolving credit facility, which was extended from £90.0 million in December 2016.

Profit before tax

Profit before tax for the year was £91.3 million (2015: £34.6 million).

Taxation

The income tax expense comprises both current tax and deferred tax. Current tax is the expected tax payable on the taxable profit for the year, using tax rates prevailing in each respective jurisdiction, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amounts of deferred tax recognised are based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply when the temporary differences reverse, based on rates enacted or substantively enacted at the balance sheet date.

As a result of income taxes arising in numerous jurisdictions, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of funds to a taxing authority. These may be, for example, in respect of enquires raised and additional tax assessments issued. The provision held in relation to uncertain tax items totals £9.8 million as at 31 December 2016.

The Group's total income tax charge has increased to £19.9 million (2015: £11.6 million) with a decrease in the effective tax rate ("ETR") to 21.8 per cent from 33.5 per cent last year. The ETR on underlying profits, after adjusting for the impact of long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation in respect of acquired intangible assets and their associated tax impact, was 23.4 per cent (2015: 24.8 per cent). The Group pays significant current tax on profits generated in the UK, Denmark, France, Switzerland and Ireland.

Chief Financial Officer's review *continued*

Earnings per share

Adjusted EPS was 12.2 pence (2015: 6.6 pence), up 85 per cent. Adjusted EPS is calculated using the adjusted profit attributable to the holders of Ordinary Shares as set out in the table below. The adjusted EPS has increased year-on-year due to higher adjusted profits, partially offset by an increase in the weighted average number of Ordinary Shares, primarily following the full year impact of the 2015 placing and open offer to fund the acquisition of the Menulog Group. Shares were also issued as consideration for the acquisition of SkipTheDishes.

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Profit attributable to the holders of Ordinary Shares in the Parent	71.7	23.1
Long-term employee incentive costs	3.1	2.9
Exceptional items	14.6	6.6
Other net (gains)/losses	(18.8)	0.7
Net foreign exchange losses/(gains)	0.2	(0.1)
Amortisation in respect of acquired intangible assets (including associates)	15.8	8.9
Tax impact of the adjusting items	(5.0)	(1.7)
Adjusted profit attributable to the holders of Ordinary Shares in the Parent	81.6	40.4
Weighted average number of Ordinary Shares for basic earnings per share ('000)	669,462	616,111
Adjusted EPS (pence per share)	12.2	6.6

Basic EPS was 10.7 pence (2015: 3.8 pence), representing a 182 per cent year-on-year increase.

Balance sheet

Due to the low operational capital expenditure requirements of our business model and the cash collected in advance of net settling with our Restaurant Partners, the balance sheets of the operating companies are relatively straightforward. The complexity is added upon consolidation due to the impact of business combinations and the judgements they naturally include.

	As at 31 December 2016 £m	As at 31 December 2015 £m
Non-current assets		
Goodwill	725.2	457.1
Other intangible assets	103.4	72.6
Property, plant and equipment	12.4	8.6
Other non-current assets	48.2	23.2
	889.2	561.5
Current assets		
Operating cash	96.8	148.9
Cash to be paid to Restaurant Partners	33.8	43.8
Cash and cash equivalents	130.6	192.7
Other current assets	28.6	12.0
	159.2	204.7
Current liabilities	(151.9)	(109.4)
Net current assets	7.3	95.3
Non-current liabilities		
Provisions for liabilities	(43.1)	(9.3)
Other long-term liabilities	(27.7)	(21.6)
	(70.8)	(30.9)
Total liabilities	(222.7)	(140.3)
Net assets	825.7	625.9
Equity		
Share capital and share premium	569.0	562.3
Other reserves	88.3	(17.4)
Retained earnings	160.7	80.6
Equity attributable to owners of the Company	818.0	625.5
Non-controlling interests	7.7	0.4
Total equity	825.7	625.9

In 2016, non-current assets increased by £327.7 million to £889.2 million. This was largely due to M&A activity completed in the year, which resulted in the recognition of goodwill, other intangible assets and increased interests in the associates.

In total, £6.6 million has also been capitalised on specific technology projects which met the criteria to require capitalisation.

Cash balances of £130.6 million (2015: £192.7 million) include £33.8 million (2015: £43.8 million) of cash payable to our Restaurant Partners shortly after the period end. The Group does not treat this cash as part of its day-to-day operational cash balances as on-time payment to restaurants is critical. Cash balances owed to restaurants have decreased since last year following the decision to pay restaurants weekly, rather than twice a month.

This has been rolled out in the UK, Denmark and Ireland with other international rollouts planned. This has further strengthened our relationships with our Restaurant Partners.

Cash generated from trading was also used to fund a number of smaller acquisitions of technology assets during the year and the initial consideration for the SkipTheDishes acquisition. Current liabilities increased due to growth in our operations, increases in tax liabilities and the movement of non-current provisions to current.

Non-current liabilities increased by £39.9 million to £70.8 million, primarily due to a provision for contingent consideration relating to the SkipTheDishes acquisition.

Cash flow

The Group continued its high level of cash conversion, benefiting from collecting the gross value of orders made by card ahead of making net payments to restaurants. In 2016, net cash generated from operations (including payments for tax and interest) was £97.0 million (2015: £74.2 million).

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Underlying EBITDA	115.3	59.7
Net change in working capital (excluding movement in restaurant payables)	14.3	12.3
Income taxes paid	(12.7)	(8.2)
Interest cash outflow (including facility fees)	(1.1)	(1.2)
Other	0.3	2.1
Free cash flow before exceptional items	116.1	64.7
Cash outflow in respect of exceptional items	(9.1)	(6.6)
Net cash flow before movement in restaurant payables	107.0	58.1
Movement in restaurant payables	(10.0)	16.1
Net cash flow from operating activities	97.0	74.2

Underlying EBITDA also converts strongly to net operating cash flow due to the beneficial working capital cycle of our business model. In 2016, 93 per cent of Underlying EBITDA converted to cash excluding those amounts held for restaurants (2015: 97 per cent). If exceptional items were excluded, the cash conversion would exceed 100 per cent in both the current and prior years.

Cash flow statement

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Net cash inflow from operating activities	97.0	74.2
Net cash used in investing activities	(167.5)	(465.5)
Net cash from financing activities	2.3	425.1
Net (decrease)/increase in cash and cash equivalents	(68.2)	33.8
Net cash and cash equivalents at beginning of year	192.7	164.1
Effect of changes in foreign exchange rates	6.1	(5.2)
Net cash and cash equivalents at end of year¹	130.6	192.7

1. Includes £33.8 million (2015: £43.8 million) of Restaurant Partner cash.

The Group spent £167.5 million in investing activities during the year. Of this, £161.9 million (2015: £451.8 million) was spent acquiring subsidiaries and associates.

At the balance sheet date, the Group had cash balances of £130.6 million (2015: £192.7 million) and borrowings of £1.0 million (2015: £nil). The Group has access to a £200.0 million revolving credit facility (2015: £90.0 million), which was undrawn at the balance sheet date and at 6 March 2017. The facility was extended in order to fund the potential acquisition of hungryhouse that was announced in December 2016 (and remains subject to receiving CMA approval). We agreed to pay an initial consideration of £200.0 million plus a potential earn-out of up to £40.0 million for the acquisition. This is discussed further in Note 31.

The Board has not recommended a dividend since the IPO as, in order to deliver longer-term value, the Group intends to retain any earnings to invest in development and expansion as opportunities arise.


Paul Harrison
Chief Financial Officer
6 March 2017

Operational review

Continuously striving to be the best we can be

2016 was a landmark year as for the first time Just Eat's non-UK portfolio was profitable in aggregate. Congratulations go to the Brazilian team for leading the latest Just Eat market to achieve profitability.¹

Success of the international business

Spain and Italy remain among our fastest growing countries, achieving comfortably over 1 million orders a month in aggregate, and enjoying triple-digit growth following the acquisition of complementary businesses in those markets. Our teams showed impressive expertise in delivering top and bottom-line benefits from these complex integrations. This bodes well for our ability to successfully integrate any future acquired businesses.

Our Danish business enjoyed its 15th year of incremental growth, demonstrating the very long growth runway these businesses can enjoy.

Helping our Restaurant Partners grow

Our Partner Centre app, now fully integrated with Orderpad, has become the de facto operating system for many of our restaurants, and is typically accessed 1.4 million times a month in the UK. It offers menu amendments, invoicing, the ability to order consumables, and control of a restaurant's online status, while also giving access to reviews and ratings, with a right of reply.

2016 also saw the launch of our restaurant partnership programme in the UK, using our scale to provide great products and services to our estate. Launching with Booker, the UK's largest food wholesaler, we have also added offers covering soft drinks, card processing, wifi, broadband, motorbike insurance, business rates advice and finance funding. To deliver this, we have developed strong relationships with brands such as Coca-Cola, Sky, Global Payments and Funding Circle. We will continue to develop these offers throughout 2017. As these relationships and awareness of offers start to grow, we have seen partners making savings close to the level of the commission they pay to Just Eat.

"Executing on our proven business model remains our core objective, requiring an innovative mind-set and obsessive focus on getting the basics right every time."

Adrian Blair
Chief Operating Officer

Our field teams continue to take a data-driven approach with restaurants to help them grow their Just Eat business. In 2016 we also made substantial improvements to the way we generate incremental revenue via top-placement, and are encouraged by the 76 per cent improvement in revenue. We are confident of further growth here in the year to come.

We exit 2016 with an extremely able cohort of country managers, leading strong local management teams. In 2017 we expect to optimise the team structure further with the appointment of a Managing Director of International Markets to oversee all international operations.

Just Eat offers Restaurant Partners and customers access to what is effectively the largest digital food court in every country where we operate. This makes the commercial case for branded restaurant operators to work with Just Eat extremely compelling. On an individual outlet basis we now work with all top six global food brands somewhere across our portfolio. We plan to deepen and expand our relationship with leading restaurant brands throughout 2017.

The consumer experience

We invest continuously in technology to meet the evolving needs of customers. This paid off in 2016 with a 21 per cent reduction in the overall number of orders that required any kind of intervention, while an improvement in efficiency ensured that customer care service levels remained high throughout the year.

1. On an Underlying EBITDA basis.

This has been achieved by better contact centre technology. Our direction of travel is toward more shared services between markets, with customer care and restaurant operations increasingly being run from central capabilities.

The successful deployment of more than 10,000 Orderpad devices across most of our markets, along with the increasing percentage of orders that receive 'order on its way' notifications, resulted in fantastic feedback from both customers and restaurants. Over 50 per cent of orders in the UK are now transmitted via the new devices, and we plan to accelerate this rollout globally in 2017.

Adrian Blair
Chief Operating Officer

Marketing

Our marketing budgets are determined by rigorous analysis of market conditions underpinned by cohort data to drive customer growth, retention and frequency.

We retain flexibility between how we deploy spend between markets and specific channels. During 2016, globally we spent £91.2 million in marketing (2015: £64.0 million) and, as signalled at the half year results, this included the brand relaunch in the UK in September.

Our scale enables us to offer Restaurant Partners unique insight and data, which in turn allows us to create co-marketing opportunities that drive more customers to them.

To celebrate the diversity of customers on our platform, we host annual Takeaway Awards in the UK, Ireland and Denmark. This initiative highlights the great work that our Restaurant Partners carry out during the year, and allows our customers to show their appreciation by voting for their favourites. This year we introduced several new categories to honour not just the food and restaurants, but the chefs and drivers who are all vital components of a successful food delivery service.

In the UK, to showcase the breadth of cuisine available on our platform, we held our inaugural Food Fest in July, with a weekend of world class cuisine from some of the UK's top restaurants, plus live entertainment and music.

"Our new brand recognises what Just Eat has achieved so far, while setting the tone for where we want to go next."

Barnaby Dawe
Chief Marketing Officer

Brand relaunch

During September, we relaunched the Just Eat brand in the UK with an exciting new vision supported by a new brand purpose. Following the UK launch, we are rolling out the new brand into our other markets over the next 18 months.

The vision – to create the world's greatest food community – marks a different direction for the brand. Just Eat was one of the first companies to unite customers and restaurants in the food delivery space over 15 years ago. Today we bring together 17.6 million active users with 68,500 restaurants, processing orders worth £2.5 billion.

Our new brand recognises what Just Eat has achieved so far, while setting the tone for where we want to go next – over the short, medium and longer term. It marks an evolution in our approach to meeting our customers' evolving expectations and to the relationship we have with our Restaurant Partners.

Whilst we continue to drive channel shift from the telephone to ordering online or through the app, our new purpose – to make food discovery exciting for everyone – sits at the heart of everything we do. Food makes people happy, and we help our customers find more ways to enjoy their trusted favourites and discover new flavours.

Barnaby Dawe
Chief Marketing Officer

Committed to bringing people together

We have an outstanding team and our aim is to create the world's greatest talent.

We are passionate about supporting our growing teams empowering them to focus on providing excellent service to our customers and Restaurant Partners.

Number of global employees

2,373

Number of employees with five or more years' service

141

Read more on how we have supported our people on pages 36 to 39

Big Hearted

Just Eat is built on relationships with our customers, our Restaurant Partners and our people.

"The prize money has allowed us to expand and has brought in many new customers. We are so glad to be working with Just Eat; they have been brilliant for our business."

Su Cheah

Owner, Chicken George, Best Takeaway in Britain, at the British Takeaway Awards 2016

Our people and community

People are at the heart of our business

Our people are what make Just Eat a great place to work. Attracting, developing and nurturing talent within the organisation is critical for our continued growth.

Just Eat's organisational culture is important to everyone who works here. It embodies our passion for delivering excellent service to our customers, delivering value to our Restaurant Partners and providing an exciting, innovative and challenging environment for our employees.

We are focused on creating a sense of belonging and engagement for our employees. Our values – Razor Sharp, Big Hearted and Make Happy – are core to who we are as a business and sit at the heart of our brand, our employees, our customers and our relationships with our Restaurant Partners.

Make Happy

We live for the joy side of life. The right food for every moment. We cherish the love our Restaurant Partners put into their cooking. We are all about the enjoyment our customers get from eating. It is the smiles that make it worthwhile. What drives us is building more excitement, quality, fun and laughs into everyday food occasions, because food makes people happy.

Razor Sharp

Everything can be made better. With clear direction, a relentless attitude and non-stop innovation, we impact the things that matter most – more choice, fresh experiences and new connections. We focus on getting things done, at pace, and with a laser-like focus. All so that people and restaurants discover more of each other, and the bar is constantly raised for everyone.

"We are committed to bringing emerging talent into our business, as well as retaining and developing our existing colleagues, with the potential to be tomorrow's leaders of Just Eat."

Lisa Hillier
Chief People Officer

Big Hearted

Just Eat is built on relationships with people. The many, the few, the you: every individual matters and we use every opportunity to make things personal and fair for everyone. We listen to understand, not just to reply. Respect comes as standard – for our customers, our Restaurant Partners and each other – and that is how we build positivity into all our relationships and create new ones.

Our culture is anchored in connecting our people with our vision of 'creating the world's greatest food community' and being guided by our values in every decision we take.

During 2016 we launched a Company-wide programme of activities to ensure that all of our employees understand our vision and values and how their role and local business plans fit into the overall Just Eat strategy.

Developing great talent

In 2016, we invested significantly in developing the talent we have across our global business. During the year, we offered numerous development opportunities to all employees based on key trends identified in individuals' personal development plans. This included opportunities such as training courses run by external experts, coaching, mentoring, webinars, access to online learning resources and professional sponsorship.

We have also provided extensive support for all of our managers, from new manager development programmes all the way through to executive leadership development, ensuring they are well placed to drive and lead high performing, successful teams.

Hiring great talent

We also supported our growth by hiring great talent across all of the Group's locations, including the introduction of a graduate and apprenticeship programme. We hired 13 graduates in September 2016 across Finance, Marketing, Technology, Business Insights, Sales and Operations. Following this year's success, we are planning to expand the programme to 26 graduate hires in 2017.

During the year, we were pleased to welcome Fernando Fanton as our Chief Product and Technology Officer and Paul Harrison as our Chief Financial Officer. We further strengthened our ANZ, Canadian and Swiss businesses with the appointment of three new country managers, the latter being an internal promotion.

Reward

During the year we introduced an annual performance-related bonus scheme to reward employees based on their personal and business performance. We also further enhanced our employee benefits introducing a core package with a focus on protecting the future, health and wellbeing and leisure and lifestyle. We have increased the Company contribution to employees' pensions and extended our Sharesave Scheme in 2016 to additional Just Eat countries. This enables our employees to take a direct stake in the future success of the business.

Listening to our people

We value our employees' views on what it is like working at Just Eat. We ran an employee engagement survey in April 2016 and used the results to understand what we could do better as an employer and measure employee engagement. The survey was followed up with local action planning sessions to listen to ideas to drive improvement regarding the whole employee experience.

Find out more about our graduate and apprenticeship programme online

Just Eat launched its first ever graduate programme in 2016. We recruited 13 highly talented individuals spanning six areas of our business and, after great success, we plan to recruit another 26 graduates in 2017.

Our people and community *continued*

Broadening our perspective

Becoming a more diverse and inclusive business is integral to our future success. Our ambition is that our workforce reflects the diversity of our customer base and Restaurant Partners. Diversity of thought, experience and backgrounds at every level of the business are critical ingredients to innovation and making the best decisions to continue building a truly inclusive workplace. We are pleased to have met the Davies report recommendations in 2016 that at least 25 per cent of Board members should be female. However, we do recognise that further long-term succession planning is required to further address the gender imbalance at a senior management level. In 2016, we enhanced our paternity and maternity provisions, introduced a Senior Women's Network and in 2017 will continue to support and develop our female leaders.

In 2017 we will also build on our commitment to, and investment in, people who want to learn while they earn through extending our apprenticeship scheme in the UK.

Our policy for the employment of disabled persons is to provide equal opportunities with other employees to train for and attain any position within the Group.

The environment

We continued to make our business processes as environmentally friendly as possible. Examples include our use of office paper that has been made from agricultural waste, and lighting with automatic shut-off to reduce our carbon footprint. In addition, we continue to support the Fruitful Office campaign, which as well as providing healthier snacks for employees, directly results in new trees being planted.

This year we launched a Cycle Safe campaign in the UK, providing free hi-vis rucksack covers, hi-vis vests and bike lights to employees who choose to cycle to/from work.

For our greenhouse gas disclosure, please refer to page 142.

Modern Slavery Act

The Board has approved a Modern Slavery Act Transparency Statement in compliance with section 54 of the Modern Slavery Act 2015, which is available to view on the Company's website: www.justeatplc.com.

Human rights

The Group has no specific policy in place regarding human rights; however, all employment policies and practices are equally applied to all employees, officers, consultants, volunteers, interns, and casual and agency workers.

To find out more about GHG disclosure go to our Directors' Report on page 142

Gender breakdown of our Board, senior management and all permanent employees at 31 December 2016:

Board membership

25% female

2016	2	6
2015	1	8
2014	1	8

Female Male

Senior management¹

15% female

2016	6	33
2015	5	30
2014	4	27

All permanent employees

35% female

2016	823	1,550
2015	708	1,096
2014	584	901

1. We have defined our senior management to be the top two grading levels for roles within the global business. This is predominantly our Executive Team and their direct reports.

"We are delighted that Just Eat has chosen to support our goals of addressing food surplus, reducing food poverty and social isolation by serving tasty, nutritious meals. Our shared belief in the importance of community makes this a great fit."

Mary McGrath
Chief Executive, FoodCycle

Charitable partnerships

In 2016, we continued to work with our charitable partner Starlight, a charity which helps grant wishes for seriously and terminally ill children. A total of 91 per cent of funds raised by Starlight are allocated to charitable spending, an important factor for our continuing support.

Since our partnership began in 2014, Just Eat and its employees have helped to raise over £60,000 including funds matched by the Company towards granting wishes. During 2016, we raised funds through many bake sales, team events, a pool tournament and football league, a Christmas raffle, IronMan Mallorca, Tough Mudder, an Olympic cycle challenge, climbing Mount Kilimanjaro and a London to Bristol bike ride. One employee successfully referred someone into the business and pledged to donate his referral fee, plus a technology team won a hackathon hosted by Microsoft in San Francisco, California, and generously donated their US\$5,000 prize.

FoodCycle: a new charity partner for Just Eat

In 2016, as part of a review of our strategic approach to being a responsible business, we spent time identifying a charity partner that is aligned to our values and our business. This process identified FoodCycle, a UK charity that combines surplus food, volunteers and spare kitchen capacity to create tasty, nutritious meals for people at risk of food poverty and social isolation. It runs 29 community hubs across the UK, united by the simple idea that food waste and food poverty should not co-exist.

The partnership, which started informally in 2016, officially commenced at the start of 2017.

The partnership will grow over time but will initially include opportunities for our employees to volunteer and use their skills to solve issues faced by the charity, activities to help our Restaurant Partners to reduce their food surplus, and a number of exciting events to raise funding to support FoodCycle's ongoing work. To find out more about our new charity partner visit www.foodcycle.org.uk.

To find out more about our new charity partner visit www.foodcycle.org.uk

Looking ahead

For 2017, our people, Restaurant Partners and customers continue to be at the heart of everything we do. We are committed to:

- developing leaders with greater courage to think independently, innovate and lead;
- evolving our culture and letting our values guide every decision we make;
- combining our existing deep technical expertise with the skills we need to create new, market-leading products, services and experiences for our Restaurant Partners and customers;
- developing talented people so that, through moves across products, markets and geographies, they have the agility, knowledge and collaborative skills to help Just Eat grow;
- rewarding and recognising performance;
- helping our people to build their careers by improving how we highlight global opportunities and supporting them in thinking through their goals for their careers; and
- providing opportunities for our people to learn and develop so they are better able to drive growth.

Lisa Hillier
Chief People Officer

Corporate governance introduction

Corporate governance has always been important to us.

It provides the structure within which the entrepreneurial drive in the Group can thrive. It enables the continued growth of the Group to be achieved on an ongoing basis in an environment that is both supportive and controlled. It ensures that shareholder value and stakeholder interests can be maximised in the long term.

In my report last year, I noted that we would become fully compliant with all of the provisions of the UK Corporate Governance Code 2014 (the "Code") during the year. This was achieved on 1 March 2016.

This is an example of the importance the Group places on this area. Our commitment remains fundamental to how Just Eat operates. Our ethos of market leadership is as key to our corporate governance as it is to our business success. We will continue to evolve and develop our governance arrangements to ensure they remain appropriate for our ambitions for the business. We will also embrace the ongoing changes to the Code as these are introduced over the coming years. This will ensure that our governance continues to be appropriate for the future as well as the present.

In 2016, there were a number of key corporate governance considerations in Just Eat:

- **CFO appointment**
Paul Harrison was appointed CFO in September following Mike Wroe's decision to step down from the Board. During his eight years with Just Eat, Mike made an important contribution to the Group. Building on this, Paul has already made a substantial contribution to the continued development of Just Eat, drawing on his own wide experience in other high growth and technology companies.

"Our commitments to high standards of corporate governance and business integrity enable us to continue to set the tone as well as the direction of the management of the Group."

Dr John Hughes CBE, Hon DSc
Chairman

- **Non-executive Director appointment**
We were also delighted to welcome Roisin Donnelly as an additional Independent Non-executive Director in October. Roisin's invaluable skillset and experience have already enhanced the Board.
- **Acquisitions**
We reviewed, considered and approved important acquisitions by the Group in Spain, Italy, Mexico, Brazil, the UK and Canada. Most recently, on SkipTheDishes and the proposed acquisition of hungryhouse, this included full presentations to the Board in their early stages, updates as they progressed, as well as a specific Board meetings for their final approval.
- **Strategic consideration**
We received specific presentations from management throughout the year on other important strategic matters including technology, marketing, people and new developments in the Group.

Paul and Roisin's backgrounds are included in their biographies on page 43

Paul and Roisin's recruitment and induction processes are included in the Report of the Nomination Committee commencing on page 56

These developments are part of our ongoing work to achieve best practice in corporate governance. We view this as a journey rather than a destination. In the same way as Just Eat continues to develop as a business, so we will continue to evolve as a Board and to develop our governance arrangements.

Our commitments to maintaining high standards of corporate governance and business integrity enable us to continue to set a positive tone for the direction of the management of the Group. I believe this will remain an important foundation of the Group as it continues to build shareholder value over the long term.

UK Code compliance

This Corporate Governance Report, including the sections that follow, sets out how the Group has applied the main principles of good governance contained in the Code. The Board considers that the Group moved to and continued with full compliance with the Code provisions that applied during the year from the Board changes on 1 March 2016.

Until that time, the only provision of the Code with which the Group did not comply was Code provision B.1.2 which recommends that at least half the members of the Board, excluding the Chairman, should comprise Non-executive Directors determined by the Board to be independent.

When two of our then Directors who had been nominated by significant shareholders stepped down, the Group became fully compliant with this one remaining provision of the Code.

The UK Corporate Governance Code can be accessed at www.frc.org.uk.

Future development

I look forward to reporting to you next year on how we continue to develop and further strengthen our corporate governance in line with our plans for the future development of the Group. We view continuous improvement as being important for us as a Board, just as it is for our business.

On behalf of the Board

Dr John Hughes CBE, Hon DSc

Chairman

6 March 2017

Later in this Corporate Governance Report:

1. An introduction to our Board is given in the biographies of our Directors on the next pages.
2. More detail on the role and activities of the Board starts on page 44.
3. Andrew Griffith, the Chairman of our Audit Committee, reports on its work commencing on page 51.
4. John Hughes reports, in his role as Chairman of the Committee, on our Nomination Committee's activities commencing on page 56.
5. Gwyn Burr reports on the remuneration of our Directors in her capacity as Chairman of our Remuneration Committee, commencing on page 60.

The UK Corporate Governance Code 2014 can be accessed at www.frc.org.uk

Our Board

A diverse and effective leadership team

Each of our Directors brings valuable skills and experience that contribute to the effectiveness of the Board as a whole.

Dr John Hughes CBE, Hon DSc^N

Non-executive Chairman (Chairman of the Nomination Committee)

John joined as Chairman in December 2011. He has over 30 years' experience leading complex, high technology businesses operating at a global level. This has included senior executive positions at Thales Group, Lucent Technologies and Hewlett Packard. John currently serves as Chairman of Spectris plc (a role from which he will retire in May 2017 after nine years as Chairman) and was, until January 2016, Executive Chairman of Telecity Group plc. He also serves as a Non-executive Director of Equinix Inc and CSG Systems International Inc. John is an adviser to Strattam Capital and Oakley Advisory Limited.

John holds a BSc in Electrical and Electronic Engineering from the University of Hertfordshire (formerly Hatfield Polytechnic) from which he was, in 2014, awarded an honorary Doctorate of Science in recognition of his contribution to the communications and technology sector and to the wider business community. He was awarded the CBE for services to international telecommunications in the Queen's 2011 New Year Honours List.

John will assume the role of Executive Chairman from 1 April until such time as a new CEO is found to replace David Buttress.

David Buttress

Chief Executive Officer

David joined Just Eat in March 2006 to launch its UK business, and was appointed Chief Executive Officer in January 2013. Beginning his career in 1998 with Coca-Cola Enterprises, David enjoyed a variety of senior sales roles and won the prestigious Account Manager of the Year award while managing Coca-Cola's key UK restaurant customers. David holds a BA (Hons) degree in Law and Business from Middlesex University Business School. In 2014, David was named Entrepreneur of the Year at the Investor Allstars Awards, and was listed as one of the London Evening Standard's top 1,000 influential people. In 2015 he was named as one of Britain's most influential people in the Debrett's 500. David is also a Special Adviser at 83 North – a global venture capital firm.

David has notified his intention to step down from his role as Chief Executive Officer and has agreed then to serve a minimum one-year term as a Non-executive Director.

Andrew Griffith
*Senior Independent
Non-executive
Director*

Gwyn Burr
*Independent
Non-executive
Director*

David Buttress
*Chief
Executive
Officer*

Paul Harrison
*Chief Financial
Officer*

Dr John Hughes CBE
*Non-executive
Chairman*

Paul Harrison*Chief Financial Officer*

Appointed Chief Financial Officer and a Director on 26 September 2016, Paul was most recently at WANDisco plc, the Silicon Valley based London-listed software company where he was Chief Financial Officer since 2013. Previously, Paul served as Group Finance Director of FTSE 100 international software company The Sage Group plc for 13 years, having been Financial Controller for three years. Prior to that, Paul held a number of senior positions at PricewaterhouseCoopers. Paul is also Non-executive Director at recruitment consultancy firm Hays plc and media company Ascential plc. Paul holds a BA (Hons) in Business Studies from Manchester Metropolitan University and is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA).

Gwyn Burr ^{A, R, N, I}*Independent Non-executive Director**(Chairman of the Remuneration Committee)*

Gwyn was appointed a Director in March 2014. Gwyn is also Non-executive Director of Sainsbury's Bank plc, Hammerson plc, DFS Furniture Holdings plc, Metro AG and Ingleby Farms & Forests ApS. From May 2005 to March 2013, Gwyn was Customer Director and a member of the operating board for J Sainsbury plc, with responsibility for brand, own brand customer service, corporate communications and corporate and social responsibility and also, from 2010, human resources. Gwyn holds a BSc in Economics and History from the University of Bradford.

Frederic Coorevits ^S*Non-executive Director*

Fred was appointed a Director in July 2009. Fred is an adviser for SM Trust, for which he has been working for more than ten years. He manages SM Trust's portfolio of investments, which focuses on the areas of eCommerce and cloud computing. Prior to this, Fred worked as a Finance Director for i-spire plc and as a Senior Manager for PricewaterhouseCoopers transaction services in London. Fred holds a Masters in Business Administration and a Masters in Organic Chemistry from Louvain (Belgium).

Roisin Donnelly ^{M, I}*Independent Non-executive Director*

Appointed a Director on 17 October 2016 and appointed to the Nomination Committee on 22 February 2017. Roisin has had a 30-year career building market-leading brands with Procter & Gamble in the UK, EMEA, US and global roles. Most recently, she was CMO for Northern Europe leading six countries. Roisin is an experienced digital leader. She has experience in acquisitions, divestitures and business turnaround. She is a Non-executive Director of Bourne Leisure and a Council Member of the Advertising Standards Authority. She has received awards including Marketer of the Year and Advertising Age Woman to Watch. Roisin graduated from the University of Glasgow MA (Hons) and is an Honorary Fellow of the Marketing Society.

Andrew Griffith ^{A, R, N, I}*Senior Independent Non-executive Director**(Chairman of the Audit Committee)*

Andrew was appointed a Director in March 2014. Andrew has served as Chief Financial Officer of Sky plc since April 2008. In addition to this role, he was appointed as Group Chief Operating Officer in March 2016 and is responsible for the Sky group's overall future growth plans as well as the group's advertising businesses across Europe. Andrew joined Sky in 1999 from Rothschild Group, the investment banking organisation, where he provided financial and strategic advice to corporate clients in the technology, media and telecommunications sector. He is a Trustee of Riverside Studios in West London, a registered charity. Andrew holds a degree in Law from The University of Nottingham and is a qualified Chartered Accountant.

Diego Oliva ^{A, R, N, I}*Independent Non-executive Director*

Diego was appointed a Director in September 2015. Diego has extensive experience in global leadership roles in the technology sector, having spent six years as Regional Director of EMEA at Facebook. He is currently co-founder and Executive Chairman of Glue, a smart home company. Diego also serves as Limited Partner and Adviser at Earlybird Venture Capital, White Star Capital and Wamda Capital, VC funds. Diego holds postgraduate degrees from Harvard Business School, Stockholm University and IE Business School and received a Bachelor's degree in Economics from Tec de Monterrey.

A: Audit Committee

N: Nomination Committee

R: Remuneration Committee

I: Independent Non-executive Director

S: Nominee of a major shareholder

**Diego
Oliva**
*Independent
Non-executive
Director*

**Roisin
Donnelly**
*Independent
Non-executive
Director*

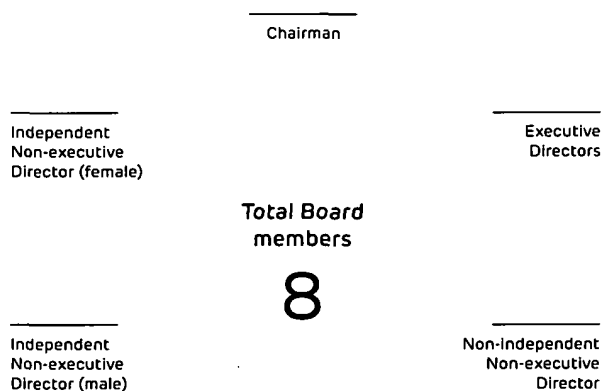
**Frederic
Coorevits**
*Non-executive
Director*

Report of the Board

"Our Board leads the Group at the highest level. Our principal aim is to ensure ongoing generation of long-term value for the Group's shareholders and other stakeholders."

Dr John Hughes CBE, Hon DSc
Chairman

Board composition



Our Board provides leadership to the Group by setting and monitoring the implementation of its strategy.

We ensure that the Group has appropriate people, financial and other resources for this. With our standing Committees, we oversee controls, risk management and senior remuneration. We also lead the cultural tone for the Group – the Group-wide enthusiasm which has always been a key part of our success. Our aim is to maximise value for shareholders and other stakeholders over the long term.

This section of the Governance Report summarises the role and activities of our Board and is followed by specific reports from our Nomination, Audit and Remuneration Committees.

Membership of the Board

The Board currently has eight members:

- myself, John Hughes, as Non-executive Chairman;
- two Executive Directors, David Buttress (Chief Executive Officer) and Paul Harrison (Chief Financial Officer);
- four Independent Non-executive Directors, Gwyn Burr, Roisin Donnelly, Andrew Griffith and Diego Oliva; and
- one Non-independent Non-executive Director, Frederic Coorevits, who was nominated by a major shareholder and has served since before the Company's IPO.

For the purposes of assessing compliance with the Code, the Board considers that Gwyn Burr, Roisin Donnelly, Andrew Griffith and Diego Oliva are independent of management and free from any business or other relationship that could materially interfere with the exercise of their judgement. The Board also considers that I, as Chairman of the Company, was independent at the time of my appointment.

We had until 1 March two additional Non-executive Directors, Benjamin Holmes and Michael Risman, who were nominated by significant shareholders and were therefore not considered to be independent for the purposes of the Code. Their stepping down from the Board on 1 March 2016 resulted in full compliance with this remaining provision of the Code.

Further details of our current Directors are provided on pages 42 and 43

**Key matters considered at each main meeting
of the Board during the year included:**

2016

February

- Ongoing development of the Group's mobile functionality.
- Review of potential developments in the market and how the Group was addressing these where appropriate.
- Review and approval of 2015 annual results including announcement and Annual Report.
- Approval and finalisation of the notice of AGM including reappointment of Directors as recommended by the Nomination Committee.
- Presentation by the external facilitator of the Board's evaluation.

June

- Review of M&A opportunities.
- Product innovation review.
- Consideration of the potential appointment of Paul Harrison as CFO and delegation of authority to finalise.

December (two meetings)

- Consideration and approval of the proposed increase of the Group's financing facilities.
- Review and approval of the acquisition of SkipTheDishes.
- Review and approval of the proposed acquisition of hungryhouse.
- Review and approval of the Group budget for 2017.
- Review of our Menulog business.
- Review and approval of updates and procedures in relation to the Modern Slavery Act.

April

- Detailed presentation on people plans in the Group.
- Review of the Group's brand strategy.
- Review of M&A opportunities.
- Post-acquisition review of Menulog.
- Agreement of actions following on from the Board evaluation.

Board evaluation commented on page 58

July

- Review of forecast for the second half of the year.
- Review and approval of half year results.

October

- Initial reviews of potential acquisitions of hungryhouse and SkipTheDishes.
- Review of strategic technology investments.
- Detailed review of marketing led by the Chief Marketing Officer.
- Approval to proceed with appointment of Roisin Donnelly as an Independent Non-executive Director.

At every main meeting, the Board also reviews:

- Report from the CEO.
- Report from the CFO.
- Investor relations update.
- Minutes and actions from previous meetings.
- Confirmation of there being no Director conflicts.
- Reports from the Board Committees.

Report of the Board *continued*

Membership of the Board *continued*

The diversity of our Directors provides the Board with a depth and range of experience of both the Group's business and of other international businesses, including other publicly listed companies. This enables high quality, diverse and relevant input into Board discussions, enriching debates and allowing carefully considered judgements to be reached, consensus to be arrived at and decisions then taken.

We provide both support and constructive challenge to management in the review of proposals. This is achieved by the monitoring of performance and in the targeting of achievement of the Group's aims, over both the shorter and longer terms.

All our Directors have a deep interest in ensuring the Group achieves its long-term objectives. They all devote sufficient time and attention to their Board duties and responsibilities and take collective responsibility for the Board's performance. A proper balance of influence is preserved without any one individual, or separate groups of people, having unfettered decision-making powers. All the Non-executive Directors bring valuable business acumen to bear on the Board's deliberations and decision-making process. We believe there is an excellent balance of skills and experience represented on the Board enabling the effective and successful management of the Company and its business.

The Board is confident that its membership is appropriate for this stage in the Group's development and is continuing to pursue Board development for the future.

Board and Committee meetings

The Board meets at regular intervals through the year both at meetings scheduled as part of its annual corporate calendar and other meetings as required for specific matters. At these meetings, it reviews:

- business performance;
- operational matters of particular note for the Board;
- strategic considerations;
- activities in the Group's industry and any potential acquisition opportunities;
- shareholder communications and feedback;
- reports of proceedings of Board Committees; and
- progress against previously agreed actions.

In addition to our Executive Directors, members of senior management are regularly invited to present relevant matters to the Board. Executive Directors and members of management may also attend and present at Committee meetings where appropriate, at the invitation of the respective Committee Chairman.

Role of the Board

Key activities of our Board include the following:

Agrees the Group's strategic aims after considering recommendations from the Executive Directors.

The Board reviews matters of strategic importance at each of its main meetings. This is usually done in the context of a presentation on a specific matter of strategic interest by a member of senior management.

In the past year, this has included:

- consideration of the ongoing development of both the consumer and restaurant experience;
- consideration of development of the Group's brand strategy; and
- review and approval of acquisitions and other new business opportunities such as with the SkipTheDishes and proposed hungryhouse acquisitions.

Non-executive Directors constructively challenge matters when they feel appropriate as part of the Board as a whole reaching an overall consensus in its decision-making process. As a key part of its debates, the Board reviews and seeks to identify risks at a strategic level.

Aims to ensure that the Group has the necessary financial strength and human resources in place to pursue the agreed strategy.

This includes regular reviews of the financial performance and requirements of the Group, presented by the CFO, along with regular updates from the CEO. Periodically, it also includes presentations from the Chief People Officer on plans for the ongoing development of the management team in the context of the growth of the Group.

The Group's Chief People Officer also gives regular presentations to the Remuneration Committee.

Reviews of Executive management is led by the Nomination Committee with the CEO.

Directors have the right to request that any concerns they may have are recorded in the appropriate Board or Committee minutes (although no such requests were made in 2016). Minutes are circulated for comment by all Directors before being formally approved at the next relevant meeting.

Support to Directors

The Directors have unrestricted access to the Group's management and advisers. They also have the opportunity to visit the Company's operations. When new Directors are appointed, they receive a comprehensive induction facilitated by the Company Secretary. This induction includes meetings with key members of management, together with briefings on the Group's business, its industry and public company duties generally. Access to ongoing training is also available to the Directors as required.

All Directors also have access to the advice and services of the Company Secretary, who acts as Secretary to the Board and each of its Committees. The Company Secretary reports to and advises the Committees directly through their Chairmen on compliance with Board and Committee procedures and applicable laws and regulations on governance matters. Directors are also able to take external advice at the expense of the Company, should they feel this is necessary.

New Director induction

Overview

The Chairman, supported by the Company Secretary, is responsible for ensuring that new Directors have a thorough and appropriate induction.

Each newly appointed Director has participated in a structured induction programme and has received a comprehensive suite of resources providing detailed information on the Company.

Each induction has been based on the individual Director's requirements and included meetings with relevant Directors, employees and external advisers to ensure that each new Director understands the Company's governance structure.

Objective

To provide our new Directors with the resources they need in order to be able to maximise their effectiveness in the shortest time practicable.

Induction process

- Provision of resources including papers and minutes from previous Board meetings and key corporate governance policies.
- Meetings with members of the Executive team and senior management.
- Meetings with external advisers, as appropriate to the role.
- Business briefings with the Executive Directors and the Chairman.
- Opportunity to visit different Group sites and attend Company events.

Reviews Group performance against the agreed strategy and considers any variations that may become appropriate to this strategy.

The Board reviews the operational development of the Group and its markets to ensure its strategy remains appropriate. It considers and decides upon any adjustments that may improve this.

Sets the tone as well as oversees implementation of the Group's values and standards.

The Board leads the Group in a way that is intended to maximise business integrity. This enables the Group's people and other stakeholders to operate in a transparent and ethical as well as entrepreneurial way. This is an important part of ensuring the long-term success of the Group. It is supplemented by more detailed reviews of specific areas by the Board's standing Committees.

Where appropriate, works with the operating management to assist in the achievement of the strategy.

Directors have open and constructive relationships with members of senior management who can draw on their wide business experience outside as well as within Board meetings.

Report of the Board *continued*

Governance calendar for 2016

The overall calendar of meetings of the Board and its Committees for 2016 is shown below:

	Full report	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board (main meetings)	p45												
Board (conference calls)	p45												
Audit Committee	p52												
Nomination Committee	p57												
Remuneration Committee	p61												
AGM													

Specific calendars for the Board and its Committees are shown in their individual reports within this review.

Attendance at meetings

The attendance of current Board and Committee members at meetings and calls, as compared with the number of meetings held, is shown below:

	Board	Audit	Remuneration*	Nomination	Attendance
John Hughes					100%
David Buttress					100%
Paul Harrison ²					100%
Gwyn Burr					100%
Frederic Coorevits					100%
Roisin Donnelly ³					100%
Andrew Griffith					94%
Diego Oliva					94%
Mike Wroe ⁵					100%

Key:

Board (seven meetings)

Audit Committee (three meetings)

Remuneration Committee (four meetings)*

Nomination Committee (four meetings)

⊗ Board or Committee member not present

Non-Committee member invited to attend some or all of a meeting (although not any part of a Remuneration Committee meeting at which their own remuneration was decided)

1. Denotes Chairman status.

2. Appointed to the Board on 26 September 2016.

3. Appointed to the Board on 17 October 2016.

4. Directors do not attend meetings of the Remuneration Committee when the Committee is deciding matters in relation to their own Remuneration.

5. Mike Wroe attended all Board and Audit Committee meetings until he stepped down from the Board on 26 September 2016.

Where a Director is unable to attend a particular meeting, full documentation for the meeting is issued to them, their views are sought in advance and briefings are provided subsequent to the meeting as appropriate.

All Directors on the Board at the time attended the AGM.

There was only one Board meeting held during the year before Benjamin Holmes and Michael Risman stepped down from the Board on 1 March 2016. Benjamin Holmes attended part of this meeting whereas Michael Risman did not.

Division of responsibilities

Whilst the Directors take collective responsibility for the management of the Group, the effective operation of the Board benefits from a clarity of responsibilities. Key elements of this are set out below:

The Board

The Board has a formal schedule of matters specifically reserved for its or its Committees' decision which include:

- Group strategy, which is reviewed by the Board and management regularly during the year;
- the Group's business plan and annual operating budget;
- major investments, acquisitions and capital projects, in which the Board monitors their subsequent performance;
- internal controls and risk management, which are reviewed regularly by the Audit Committee;
- accounting policies, which are reviewed in detail by the Audit Committee;
- shareholder communications, such as announcements of results, this Annual Report and the accompanying notice of AGM to shareholders;
- Board structure, composition and succession planning, which are handled in more detail by the Nomination Committee;
- Executive remuneration policy and the remuneration of the Chairman, which are determined by the Remuneration Committee; and
- the remuneration of the Non-executive Directors.

Subject to such reserved matters, and any other matters which the Board determines are appropriate for its specific decision as they arise, authority for the operation of the Group is delegated to Executive and other management within a system of defined authority limits. The matters reserved for the Board's decision are reviewed periodically and updated as considered appropriate.

Another important aspect of the division of responsibilities in any listed company is between the roles of the Chairman and the CEO. In Just Eat, these roles are separate and distinct with a clear division of responsibilities at the head of the Company established, agreed and set out in writing:

Chairman

The Chairman is primarily responsible for managing the Board, facilitating the effective contribution of all Directors, and ensuring satisfactory dialogue with shareholders and that all Board members are aware of the views of major shareholders.

Chief Executive Officer

The CEO, together with the CFO, has been delegated appropriate responsibilities and authorities for the effective leadership of the senior management team and for the day-to-day running of the business, for carrying out the agreed strategy and for implementing specific Board decisions relating to the Group's operations.

Senior Independent Director

In addition, Andrew Griffith, the Senior Independent Director, is available to the other Non-executive Directors and shareholders, either individually or collectively, should they wish to discuss matters of concern in an alternative forum.

Standing Board Committees

In addition, certain matters have been delegated to three principal Board Committees within clearly defined terms of reference. These remits, together with the composition of each Committee, are reviewed periodically.

The current terms of reference for the Audit, Remuneration and Nomination Committees are available on the Company's website at www.justeatplc.com.

Audit Committee

A summary of the role of the Audit Committee is included on page 51

Nomination Committee

A summary of the role of the Nomination Committee is included on page 56

Remuneration Committee

A summary of the key matters the Remuneration Committee consider is included on page 61

Report of the Board *continued*

Directors' tenure (as of 6 March 2017)

	Appointment date	IPO April 2014	2015	2016	2017	Tenure
John Hughes	15/12/2011					3 years since IPO
David Buttress	09/07/2013					3 years since pre-IPO
Paul Harrison	26/09/2016					0–1 years
Gwyn Burr	12/03/2014					3 years (since pre-IPO)
Frederic Coorevits	10/07/2009					3 years (since pre-IPO)
Roisin Donnelly	17/10/2016					0–1 years
Andrew Griffith	12/03/2014					3 years (since pre-IPO)
Diego Oliva	24/09/2015					2 years

Chairman

Executive Director

Non-executive Director

Shareholder relations

The Board is committed to ensuring that we maintain good communications with existing and potential shareholders based on the mutual understanding of the Company's objectives. A comprehensive investor relations programme underpins this commitment. The Chairman, the Chief Executive Officer and the Chief Financial Officer regularly engage with institutional shareholders in order to develop an understanding of their views, which is communicated back to, and discussed with, the Board.

Presentations given to analysts and investors covering the annual and interim results, along with all results and other regulatory announcements as well as further information for investors, are included on the investor relations section of the Company's website at www.justeatplc.com. Additional shareholder information is also set out inside the back cover.

Shareholders are able to contact the Company through the Company Secretary or Head of Investor Relations at the Company's registered office, listed at the end of this report.

Our Senior Independent Director, Andrew Griffith, serves as an additional point of contact for shareholders should they feel that any concerns are not being addressed properly through the normal channels. He may be contacted through the Company Secretary.

Disclosures in respect of the DTR requirements under DTR 7.2.6 are given in the Directors' Report on pages 139 to 143 and are included in this section of the report by reference.

Annual General Meeting

All shareholders are encouraged to attend, and have the opportunity to ask questions at the Company's AGM and at any other times by contacting the Company. As well as the Chairman, the CEO and the CFO, the Chairmen of the Audit, Nomination and Remuneration Committees will be available at the AGM to answer questions relating to the responsibilities of those Committees.

The Notice convening the 2017 AGM, to be held on 27 April 2017, will be issued along with this Annual Report to the shareholders at least 20 working days in advance of the meeting. This will provide shareholders with the appropriate time, as set out in the Code, to consider matters. Separate resolutions will be proposed on each substantially separate matter. The results of the proxy votes on each resolution will be collated independently by the Company's registrar and will be published on the Company's website after the meeting.

Dr John Hughes CBE, Hon DSc

Chairman

6 March 2017

Report of the Audit Committee

"As the Audit Committee, we assist the Board in its oversight and monitoring of financial reporting, internal control and risk management."

Andrew Griffith
Chairman, Audit Committee

We review those areas under our remit with management, internal and external auditors, as appropriate. This report summarises our membership and activities during 2016.

Membership

The Committee comprises three Independent Non-executive Directors, Gwyn Burr, Diego Oliva and myself (Andrew Griffith) as its Chairman. All our members have relevant sector competence to fulfil their roles. Through my external position as CFO of a FTSE 100 Company, I have both current and relevant financial experience.

Further biographic details are set out on pages 42 to 43

Role and activities

We met three times as a Committee during the year. The Chief Financial Officer and senior representatives of the financial management team also attend meetings as do representatives of the external auditor and the internal auditor. The Committee also meets privately with the external auditor at least once per year. Key matters covered within the Committee's remit include review of:

- the independence, objectivity and effectiveness of the external auditor;
- the remuneration and proposed reappointment of the external auditor;
- the plans for and outcome of the preparation and review of the Group's half year results and audit of the full year accounts including presentations from both management and the external auditor;
- the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- the Group's accounting policies, significant judgements and estimates;
- the Group's system of risk management;
- oversight of Group tax activities;
- the Group's material legal matters;
- key internal policies including data protection, anti-bribery and related policies and whistleblowing arrangements;
- the continued development of the Group's internal audit function, which reports directly to the Committee, and establishing control and risk management procedures;
- the disclosures regarding risk, going concern and the viability statement; and
- whether this Annual Report taken as a whole provides a fair, balanced and understandable assessment of the Group's position and prospects and whether it provides the necessary information to assess the Group's performance, business model and strategy, the ultimate decision on which is taken by the Board.

Prior to approval of the Annual Report, the Committee, and all other Board members, receive a paper detailing those steps taken by management to ensure the report meets the fair, balanced and understandable requirement.

Report of the Audit Committee *continued*

Key matters considered at each main meeting of the Audit Committee during the year included:

2016

February

- Analysis of 2015 full year results.
- Review of 2015 full year results by the external auditor.
- Review of the Group's Annual Report for 2015 and recommendation to the Board.
- Assessment of performance and effectiveness of 2015 audit against the audit plan.

November

- Consideration of hedging and taxation matters.
- Review and approval of 2017 internal audit plan.
- Presentation and discussion on information security.
- Interim update on the external audit including independence of the external auditor.
- Plans for future external audit partner rotation.

July

- Analysis of 2016 half year results.
- Review of half year results by the external auditor.
- Review of 2016 half year results announcement and recommendation to the Board.
- Discussion and examination of 2016 audit plan with the external auditor.
- Assessment of risk management including in relation to Brexit.

At every main meeting, the Audit Committee also reviews:

- Report of the CFO.
- Report of the external auditor.
- Review of risk management and internal controls.
- Report of internal audits.
- Minutes and actions from previous meetings.

We also receive drafts of the Annual Report and financial statements in sufficient time ahead of signing, to enable us to challenge the narrative and disclosures where required.

The Committee also met privately with the external auditor prior to its recommendation to the Board on approval of this Annual Report.

Significant issues

Prior to each meeting of the Audit Committee at which they are to be considered, management produces a paper providing details of any significant accounting, tax, compliance and legal matters. Members of management are also invited to attend these meetings where further guidance is required. The Group's critical accounting judgements, are included within Note 40 to the financial statements. The risks the Audit Committee considers to be significant for the 2016 Annual Report are disclosed on the following page.

Significant issues the Committee has considered	How the issue was addressed
<p>Business combinations</p> <p>There were a number of changes to the Group structure during the year, which included several acquisitions. As detailed in Note 31, the total cash consideration paid during the year was £159.7 million, which resulted in an increase in the Group's goodwill (£181.2 million) and acquired intangible assets (£26.3 million).</p>	<p>Valuations of the acquired intangible assets of La Nevera Roja, PizzaBo/ hellofood Italy and hellofood Mexico were performed by external valuation experts. Management determined this was appropriate due to the size and complexity of these acquisitions.</p> <p>Due to the SkipTheDishes acquisition only completing in December 2016, the valuation of the acquired intangible assets has been determined by management on a provisional basis. External valuation experts will be engaged to provide finalised values in 2017.</p> <p>Valuation and accounting papers prepared by management and external valuation experts were reviewed and considered appropriate by the Audit Committee. To confirm that the valuations and accounting treatments adopted are appropriate, this included consideration of the following:</p> <ul style="list-style-type: none"> • cash flows and discount rates used in the business valuations; • models and key inputs used in the intangible assets valuations including expected useful lives; • fair value adjustments made by management to arrive at the fair values of the assets and liabilities acquired; and • the approach taken to identify acquired intangible assets.
<p>Potential impairment of goodwill and intangible assets</p> <p>At December 2016, the Group had goodwill balances totalling £725.2 million and other intangible assets totalling £103.4 million.</p>	<p>Impairment reviews have been performed by management on the Group's cash-generating units ("CGUs") to which goodwill and other intangible assets have been allocated. The cash flow forecasts used were based on the budgets approved by the Board together with assumed growth rates thereafter. The key assumptions around future growth rates and discount rates used were reviewed and considered by the Audit Committee. In addition, the Committee reviewed management's sensitivity analyses regarding these assumptions.</p> <p>Please refer to Note 13 of the financial statements for further information.</p>
<p>Global tax environment</p> <p>Just Eat aims to responsibly manage all taxes and tax risks that arise across the Group, in order to provide a competitive, responsible and sustainable outcome in the interests of all stakeholders. Just Eat aims to pay the right amount of tax, in the right place at the right time by complying with all relevant tax legislation in all Group entities.</p> <p>However, given the geographical spread of the Group's operations and the varied, increasingly complex nature of local and global tax rules (e.g. OECD's BEPS Actions, EU Commission reforms, State Aid investigations), there is a greater uncertainty around the interpretation of such tax law and we recognise there is an increased risk and level of uncertainty around judgements made by management in the reporting of tax in the ordinary course of business, which may be subject to final decisions taken by various tax authorities.</p>	<p>The Committee reviewed the Group's approach to taxation.</p> <p>Management continually monitor the status of tax risks and relevant legislative changes and update the Committee at the half and full year.</p> <p>Taxation issues were discussed with senior management and a report prepared by Group Tax outlining key tax risks and relevant legislative changes was reviewed.</p> <p>The tax positions and key judgements made within the Group were reviewed and challenged by the Committee to ensure that the Group's effective tax rate, tax provisions and the recognition of deferred tax assets and liabilities were appropriate.</p> <p>The Committee considered the Group's enhanced disclosures recognising that the Financial Reporting Council has been undertaking a thematic review in this area.</p> <p>The Committee were satisfied with the Group's approach to tax, the amounts reported and that Group tax issues were being efficiently monitored and dealt with appropriately. They note that changes in the global tax landscape mean that the Group must continue to work on its ability to respond quickly to the enhanced global reporting requirements over the next few years.</p>

Report of the Audit Committee *continued*

Internal controls and risk management environment

The Board is ultimately responsible for the operation of an effective system of internal control and risk management appropriate to the business.

A review of the Group's principal risks and how it manages them is presented on pages 20 to 23.

The Company has complied with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, as applicable, throughout the period and up to the date on which these financial statements were approved. Day-to-day operating and financial responsibility rests with senior management and performance is closely monitored on a monthly basis.

Internal control environment

The following key elements comprise the internal control environment which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- an appropriate organisational structure with clear lines of responsibility;
- a comprehensive annual strategic and business planning process;
- systems of control procedures and delegated authorities which operate within defined guidelines and approval limits for capital and operating expenditure and other key business transactions and decisions;
- a robust financial control, budgeting and rolling forecast system, which includes regular monitoring, variance analysis, key performance indicator reviews and risk and opportunity assessments at Board level;
- procedures by which the Group's consolidated financial statements are prepared, which are monitored and maintained through the use of internal control frameworks addressing key financial reporting risks arising from changes in the business or accounting standards;
- an experienced and commercially focused legal function that supports the Group's operational and technical functions;
- established policies and procedures setting out expected standards of integrity and ethical standards which reinforce the need for all employees to adhere to all legal and regulatory requirements; and
- an experienced and qualified finance function which regularly assesses the possible financial impact of the risks facing the Group.

Internal audit plan

The Committee agreed the internal audit plan to be undertaken prior to the commencement of the year. At each Committee meeting, the progress of the internal audit plan has been reviewed to ensure that it is in line with the Committee's expectations. The plan was approved to ensure that there was appropriate coverage of the internal control environment, strategic priorities and key risks identified by the Board.

During the year, the audit plan was amended so that additional areas were added to the plan based on the changes that gave rise to increased levels of risk. These changes to the previously agreed audit plan were approved by the Committee.

The Head of Internal Audit provides updates to the Committee at each meeting summarising the internal audit findings and the progress made against agreed actions from previous audits. Detailed updates on specific audits are provided at the request of the Committee.

How we manage risk

The Company has a robust risk management process that follows a sequence of risk identification, assessment of probability and impact, and assigns an owner to manage mitigation activities. A register is kept of all corporate risks and is monitored by senior management and reported to the Audit Committee. Throughout the period of review, the risk register and the methodology applied is the subject of continuous review by senior management and is updated to reflect new and developing areas which might impact business strategy.

The Audit Committee actively reviews the risk register and assesses the actions being taken by senior management to monitor and mitigate the risks. Those risks which are considered to be the principal risks of the Group are presented on pages 20 to 23.

Review of effectiveness

The Audit Committee, on behalf of the Board, reviews the effectiveness of the internal control systems and the risk management processes on an ongoing basis. This process was in place throughout the year and post-year end to include the date of approval of the Annual Report. At each meeting, the Audit Committee receives a paper from management detailing any whistleblowing activity, any fraud identified and any other issue deemed to be significant. An internal audit update is also presented, detailing the scope of work performed and findings, along with implementation of any previous recommendations. The Committee has not identified, nor been advised of, any failings or weaknesses that it has determined to be significant.

Independence and performance of the auditor

The Audit Committee has set a policy which is intended to maintain the independence and integrity of the Company's auditor when acting as auditor of the Group's accounts. The policy governs the provision of audit, audit-related assurance and non-audit services provided by the auditor and, in summary, requires approval by the Committee for all projects with an expected cost in excess of £50,000.

During the year, the audit-related assurance services provided by the auditor to the Group mainly comprised the review of the half year results. Other services performed by the auditor in 2016 related mainly to tax compliance and advisory services.

The fees paid for the non-audit services during the year represented 25 per cent of the fees paid for the statutory audit and audit-related assurance services together. Further details of these amounts are included in Note 8 of the financial statements.

The Company complies with applicable rules in relation to non-audit fees to the auditor.

The external auditor is not permitted to provide internal auditor services to the Group. PwC has continued to be the co-sponsor for our internal audit work.

Before any former employee of the external or internal audit team may be employed by the Group, careful consideration must be given as to whether the independence of the auditor will be adversely affected, and approval of the Audit Committee is required. This particular circumstance has not arisen in the past year. The auditor is required regularly to report on and confirm its independence in its role.

Deloitte was appointed as the Group's auditor in 2009 and the most recent partner rotation took place in 2013. The Committee confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority ("CMA"). The Group will put the external audit out to tender to meet these requirements. A tender is not currently proposed for the coming financial year as it continues to be a period of significant growth in which the Company benefits from continuity. The Audit Committee will keep this under review, in light of ongoing consultations by the CMA and the Financial Reporting Council.

On behalf of the Audit Committee

Andrew Griffith

Chairman, Audit Committee
6 March 2017

Assessing the performance and effectiveness of the external audit

The Audit Committee has assessed the performance and effectiveness of the 2016 external audit process in the past year.

Process

Primarily through dialogue with the senior members of the finance and company secretarial teams.

Follow-up

A detailed follow-up was performed where additional feedback was sought from senior managers around the business (not limited to the finance team) through the use of audit quality questionnaires.

Results and appointment

The initial results of the assessment were discussed with the Group finance team, before being presented to the Committee, to inform our recommendation to the Board for the annual reappointment of the external auditor.

Objectivity and independence

The Committee believes that the Group's procedures as summarised above safeguard the objectivity and independence of the auditor.

Report of the Nomination Committee

"The Nomination Committee ensures that the balance of skills and experience of the Board is kept under review."

Dr John Hughes CBE, Hon DSc
Chairman, Nomination Committee

We also assist the Board in determining the succession planning for the Board and Senior management. This report summarises our membership and activities during 2016.

As in prior years, the Committee continued to seek diversity, including with regard to gender, as part of the overall selection of the best candidates for appointment to the Board.

Membership

The Nomination Committee comprises four Independent Non-executive Directors, Gwyn Burr, Roisin Donnelly, Andrew Griffith and Diego Oliva and myself, John Hughes, as Chairman.

Role and activities

We met four times as a Committee during the year, which we considered sufficient to discharge our duties efficiently as a Committee. The Committee is responsible for evaluating the balance of skills, knowledge and experience of the Directors. It also reviews the composition and structure of the Board and makes recommendations to the Board on retirements and appointments of additional and replacement Directors, including succession planning.

Appointments

The appointment of our most recently recruited Independent Non-executive Director, Roisin Donnelly, and the appointment of our new Chief Financial Officer, Paul Harrison, to replace Mike Wroe when he stepped down from the Board, followed formal, rigorous and transparent recruitment processes. They were undertaken with the assistance of The Zygos Partnership and Redgrave Partners, respectively, both leading external recruitment firms. Neither of these firms have any other connection with the Company. The process followed is summarised below:

Selection process for the appointment of new Board members

Selection of recruitment consultants

- Appropriate external executive search consultants were selected suitable for the role.
- For the NED role this was The Zygos Partnership and for the CFO role this was Redgrave Partners.

Candidate specification

- Specification for candidates determined and agreed after assessing the skills and character profile sought to fit with the current balance, membership and dynamic of the Board.

Potential candidates

- Longlist of candidates meeting the specification is identified from a specific search as well as the search firm's own database.
- This would include candidates from a variety of backgrounds and be gender neutral.

Interviews and selection

- Shortlist of candidates is then selected by the Nomination Committee and interviewed.

Recommendations and confirmation of appointment

- One or two candidates recommended to the Board by the Nomination Committee.
- Candidates meet with other Directors on the Board as appropriate prior to Board approval for the appointment to be made.

**Key matters considered at each main meeting of
the Nomination Committee during the year included:**

2016

April

- Board succession planning.
- Update on recruitment of Non-executive Director.

June

- Review of proposed nomination of Paul Harrison as CFO after Mike Wroe stepped down.
- Update on recruitment of Non-executive Director.

October

- Agreement to recommend the appointment of Roisin Donnelly as an Independent Non-executive Director.
- Agreement to proceed with an internally facilitated Board evaluation in the coming year.

December

- Discussion of potential for appointment of an additional Non-executive Director in the future.
- Following review of their performance, recommendation to reappoint each Director at next year's AGM.

At every main meeting, the Nomination Committee also reviews:

- Minutes and actions from previous meetings.

Diversity

One of the pivotal considerations on any appointment to the Board relates to diversity. The Board's policy is to continue to seek diversity, including with regard to gender, as part of the overall selection of the best candidates for Non-executive Director roles. The appointment of Paul Harrison was made within the Group's policies for the appointment of employees as will any future appointments of Executive Directors.

Reappointment

In accordance with the provisions of the Code, each Director retires at the AGM of the Company and, if decided appropriate by the Board, may be proposed for reappointment. In reaching its decision, the Board acts on the advice of the Nomination Committee. Following evaluation of their performance I, as Chairman, confirm that the performance of each of the Non-executive Directors being proposed for reappointment continues to be effective and demonstrates commitment to their duties. The Board considers that they each provide distinct and valuable input to the overall operation and function of the Board.

This review of the performance of the Non-executive Directors included an assessment of their:

- attendance at meetings; and
- ability to devote sufficient time to the Company outside meetings.

All the Directors being proposed for reappointment attended all meetings they were scheduled to attend unless unavoidably prevented from doing so. They all devote ample time to their duties. The evaluation also confirmed that the roles of the Non-executive Directors in other companies in no way impede their roles with the Company. Indeed, each demonstrates great enthusiasm as well as commitment to their roles.

Report of the Nomination Committee *continued*

Board evaluation

Performance reviews

As reported in last year's annual report, during 2016 an externally facilitated evaluation of the effectiveness of the Board and its three standing Committees was completed by Glowinkowski International (organisational leadership performance consultancy), which does not have any other connection with the Company. The process undertaken is summarised below along with the conclusions, actions taken and follow-up internally facilitated evaluation already underway this year.

Comprehensive questionnaire

All Directors completed a detailed bespoke questionnaire, focused on the following areas:

- Strategy
- Decision making
- Performance
- Sustainability
- Communications
- Governance
- People

Full Board discussion

Steve Glowinkowski of Glowinkowski International met with the Board in a review and discussion of the results of the evaluation, both in terms of analysis of the resulting metrics and the narrative answers.

Having considered these results, the Board agreed to follow up with specific actions as part of the ongoing development of its governance processes.

Conclusions and actions

Conclusions were within two main areas, summarised below with key actions taken:

<i>Strategic priorities</i>	<ul style="list-style-type: none"> • Key matters of long-term strategic focus presented at most Board meetings. • Board input sought and taken into account by management.
<i>People agenda</i>	<ul style="list-style-type: none"> • Board and Remuneration Committee oversaw development of both senior management and employees across the Group more generally. • Senior team had Board-level exposure both within and outside meetings. • New hires able to develop their roles in taking the Company forward.

This year the Board is undertaking an internally facilitated evaluation, following up on areas from last year and of particular interest this year.

Governance meetings

In line with the Code, during the past year separate meetings took place amongst:

- the Non-executive Directors and the Chairman without the Executive Directors present to assess the performance of the Executive Directors on an ongoing basis; and
- the Non-executive Directors only (although taking account of the views of the Executive Directors) to discuss the performance of the Chairman including review of:
 - the time he dedicates to the Company's business; and
 - his contributions, both at and outside formal meetings.

The Non-executive Directors concluded that the Chairman is well able to, and indeed does, devote ample time and attention to the Company's affairs and that his broad past and current experience provide considerable benefit to his role in the Group. They also confirmed that his external roles had no negative impact on the Company.

Succession planning

The Committee has already started discussions regarding the ongoing evolution of the Board, including consideration of the recruitment of an additional Independent Non-executive Director.

The Committee also reviews matters in relation to the senior management team, considering succession planning and new appointments as they arise.

We have commenced the search for a new CEO following David Buttress' notification that he would be stepping down from that role. David will continue on the Board as a Non-executive Director.

I will report to you again next year on the results of these and other activities we plan to carry out during 2017.

Dr John Hughes CBE, Hon DSc
Chairman
6 March 2017

Board induction case study

"Overall I have had an excellent induction which helps me to understand the business and organisation."

Róisín Donnelly
Non-executive Director

1	2	3	4
Meetings with <ul style="list-style-type: none"> • The Executive team. • The UK Managing Director and his team. • Creative and media agencies. • Various advisers including the brokers. 	Attended company events <ul style="list-style-type: none"> • The British Takeaway Awards and met restaurant owners from around the country. • A technology morning where the CEO and CPTO presented to an audience of analysts and media. 	Specific activities to help understand the business from a restaurant owner and Consumer point of view <ul style="list-style-type: none"> • Spent an evening listening to consumers calling into the contact centre. 	Future plans <ul style="list-style-type: none"> • Meetings with various Group managers as they visit the UK. • Sales visits to restaurants.

Report of the Remuneration Committee

"This has been another strong year for Just Eat, resulting in a strong financial performance."

Gwyn Burr
Chairman, Remuneration Committee

I am pleased to present our Directors' Remuneration Report for the year ended 31 December 2016.

Company performance

Notwithstanding the news since our financial year end that David Buttress will be stepping down as our Chief Executive Officer, 2016 was a year of continued strong growth for Just Eat:

- revenues grew by 52 per cent to £375.7 million;
- Underlying EBITDA grew by 93 per cent to £115.3 million; and
- total shareholder return in the year was 18 per cent, out-performing the FTSE 250 index.

The 2016 Directors' annual bonus plan was based around strong financial performance reflecting revenue growth and growth in profits, as well as personal/strategic objectives.

The out-turn of the 2016 annual bonus is confirmed at 94 per cent of the maximum level, representing 141 per cent of base salary for David Buttress. Also, Paul Harrison received a pro-rated bonus for 2016 calculated on the same basis and representing 30 per cent of base salary. Details of the performance targets for the annual bonus metrics are disclosed on page 66.

For 2016, no long-term incentives were due to vest. Our first post-IPO long-term incentives are scheduled to vest (if the performance targets are achieved) after the end of the 2017 financial year.

Remuneration policy for 2017

The principal actions for the Remuneration Committee in relation to the application of our remuneration policy for 2017 relate to the changes in our Board structure which were announced on 10 February 2017.

Although the details of the remuneration arrangements for David Buttress' transition from our CEO to a Non-executive Director's role will be more fully disclosed in our Remuneration Committee's report for 2017, the principles which are being applied are consistent with our shareholder-approved remuneration policy:

- David will be entitled to salary and benefits (including pension contributions) until the end of his six-month notice period in August 2017;
- David will receive an annual bonus for 2016, but will receive no annual bonus for 2017;
- David will not be granted a new PSP award in 2017. He will retain his existing share plan awards, but there will be no acceleration of vesting for these awards. David's PSP awards will remain subject to their original performance conditions and any vesting shares under PSP will be reduced on a time pro-rated basis; and
- David's fees for acting as a Non-executive Director will be in line with the base fee level for other Non-executive Directors.

For the period during which John Hughes will act as our Executive Chairman, he will receive additional fees which will reflect the extended responsibilities which will be undertaken until a successor for David is appointed. There will be no other changes to John's remuneration for this period.

Finally, whilst a Board matter, an increase in Non-executive Directors' fees was approved for the 2017 financial year. The previous fee levels had been effective from 1 January 2015. The increases (which moved the base fee from £50,000 to £60,000 and also increased Committee Chair and Senior Independent Director fees) were made against a background of increased time commitments as the Company has continued to grow and develop in its complexity.

**Key matters considered at each main meeting of
the Remuneration Committee during the year included:**

2016

February

- Confirmation of Executive remuneration for the coming year.
- Review and approval of 2015 bonus out-turn.
- Confirmation of Executive Director 2016 bonus structure and targets.
- Review and delegation of authority to handle long-term incentive grants.
- Review of Executive Team remuneration packages and wider remuneration across the Group.
- Increase in Chairman's fees.
- Consideration and approval of the Directors' Remuneration Report.
- Review and approval of plans for Sharesave offer during the year.

December

- Initial discussions on 2017 incentives.
- Review of performance to date of 2016 incentives.
- Review of results of work on gender pay review.
- Confirmation of planned second phase increase in Chairman's fees.
- Review of pay and conditions across the Group and retention arrangements where appropriate.

June

- Review of feedback from the Company's AGM and AGM season more widely.
- Review of bonus targets and update on performance against them.
- Review of potential exit/recruitment packages in relation to the change in CFO.

October

- Review of market developments and practice.
- Update on gender pay review.
- Review of Committee terms of reference.

At every main meeting, the Remuneration Committee also reviews:

- Minutes and actions from previous meetings.

Shareholder approval

At the AGM on 27 April 2017, shareholders will be invited to approve the 2016 Directors' Remuneration Report as set out in the following pages.

For ease of reference, the Directors' remuneration policy approved at the 2015 AGM is also set out in the Appendix to the Directors' Remuneration Report commencing on page 71. In line with the normal requirement for Directors' remuneration policies to be renewed every three years, we will resubmit our Directors' remuneration policy for approval by our shareholders at the Company's 2018 AGM.

During 2017, the Committee will review the policy to ensure that the policy to be proposed to shareholders at the 2018 AGM remains appropriate for Just Eat,

particularly in the context of the changes to our Board which are anticipated in this period.

I hope that we can continue to rely on the support of our shareholders for the resolution on the 2016 Directors' Remuneration Report which will be proposed at the 2017 AGM.

On behalf of the Remuneration Committee and Board



Gwyn Burr
Chairman, Remuneration Committee
6 March 2017

Annual report on remuneration

Introduction

We have presented this Directors' Remuneration Report to reflect the UK's Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The Directors' Remuneration Report also describes how the Board has complied with the provisions set out in the UK Corporate Governance Code relating to remuneration matters.

At our 2017 AGM we will be holding an advisory vote on the Directors' Remuneration Report.

The Group's auditor has reported on certain parts of the Directors' Remuneration Report and stated whether, in its opinion, those parts of the Directors' Remuneration Report have been properly prepared in accordance with the Companies Act 2006. Those sections of the Directors' Remuneration Report which have been subject to audit are clearly indicated.

Directors' remuneration policy

The Directors' remuneration policy was approved by the Company's shareholders at the Company's AGM on 13 May 2015 and has been in effect for all payments made to Directors from that date. Details of the votes cast in relation to this resolution were disclosed in the Company's Directors' Remuneration Report for 2015 which is available as part of the Just Eat Annual Report and Accounts 2015.

For information and ease of reference, the Directors' remuneration policy is included in the Appendix to this Directors' Remuneration Report. The information in the Appendix is not subject to the advisory vote on the Directors' Remuneration Report at the 2017 AGM.

The "Illustrations of application of remuneration policy" under the Directors' remuneration policy will be updated when a new policy is presented to the Company's shareholders at the 2018 AGM.

Summary of implementation of Directors' remuneration policy in 2017 (unaudited)

Element of remuneration policy	Detail of implementation of policy for 2017
Base salary	Base salaries for Executive Directors in 2017 are as follows: David Buttress – £465,000 (payable until the end of David's notice period in August 2017) Paul Harrison – £400,000
Benefits	Any proposed changes to the benefits offered to the Executive Directors in 2017 will be in line with changes for all employees, specifically non-taxable insurance coverage for all employee groups.
Pension	No changes to the pension arrangements for Executive Directors are anticipated for 2017. Pension contributions of 5 per cent of base salary are paid into the Group's defined contribution pension plan. If impacted by HMRC limits on contributions, amounts can be paid as a cash supplement in lieu of pension contributions (reduced for the impact of employer's NICs). David Buttress' pension contributions will be paid until the end of his notice period in August 2017.
Annual Bonus Plan¹	The Annual Bonus Plan for 2017 will operate on a basis that is consistent with how the Annual Bonus Plan operated in 2016. The Annual Bonus Plan maximum potential level for 2017 is 120 per cent of base salary for Paul Harrison. David Buttress will not participate in the Annual Bonus Plan for 2017. The weightings between financial and personal/strategic performance measures for the Annual Bonus Plan in 2017 are as follows: 30 per cent – Personal/strategic objectives 35 per cent – Revenue targets 35 per cent – Underlying EBITDA targets The Committee selected these performance measures for the Annual Bonus Plan for 2017 as they represent a balanced approach to recognising success against defined objectives. Given the competitive nature of the Company's sector, the specific performance targets for the 2017 Annual Bonus Plan are considered to be commercially sensitive and accordingly are not disclosed. The Committee currently intends to disclose the financial performance targets for the year ending 31 December 2017 on a retrospective basis in the 2017 Directors' Remuneration Report. Additionally, so far as commercial sensitivity will allow, details of the personal and strategic objectives for 2017 will also be disclosed. Annual Bonus Plan outcomes for 2017 will be paid in cash following the determination of achievement against performance measures and targets, consistent with how the Directors' remuneration policy has operated to date.

1. All incentive plans are subject to clawback provisions as more fully explained in the Directors' remuneration policy on page 75. The clawback provisions would also allow the Company to withhold payment of any sums unpaid (malus).

Element of remuneration policy	Detail of implementation of policy for 2017																									
Long-term incentives provided under the Just Eat Performance Share Plan ("PSP")	<p>PSP award levels for Executive Directors for 2017 are to be as follows:</p> <p>David Buttress will not receive a new award under the PSP in 2017.</p> <p>Paul Harrison – 160 per cent of base salary.</p> <p>A holding period applies so that any PSP awards for which the performance vesting requirements are satisfied will not be released for a further two years from the third anniversary of the original award date. Dividend accrual for PSP awards will continue until the end of the holding period.</p> <p>The performance measures for PSP awards to be made in 2017 will be based on EPS growth (50 per cent of award) and relative total shareholder return ("TSR") (50 per cent of award).</p> <p>The relative TSR measure is calculated against the constituents of the FTSE 250 (excluding investment trusts), with vesting commencing at median (20 per cent of this part of the award) and with full vesting at upper quintile levels.</p> <p>The EPS growth measure will require adjusted fully diluted EPS for the financial year ending 31 December 2019 of 18.5 pence (20 per cent vesting of this part of the award) and with full vesting at 23.9 pence.</p>																									
All-employee share plans	Executive Directors have the opportunity to participate in the Company's HMRC tax-advantaged share plans on the same basis as all other UK employees.																									
Shareholding guidelines	<p>Guideline levels are 400 per cent of base salary level for all Executive Directors.</p> <p>Executive Directors are expected to retain 50 per cent of the shares vesting under all share plans, after any disposals for the payment of applicable taxes, until they have achieved the required level of shareholding.</p>																									
Chairman's and Non-executive Directors' fees	<p>As detailed in the 2015 Directors' Remuneration Report, the Chairman's fee has been increased to £220,000 per annum for 2017 (2016: £180,000). This represents the second element of the increase of the Chairman's fees to £220,000, which was phased over two years from the fee level which applied at the time of the Company's IPO.</p> <table><tr><th></th><th>Base fee £</th><th>Committee Chair fee £</th><th>Senior Independent Director fee £</th><th>Total £</th></tr><tr><td>Andrew Griffith</td><td>60,000</td><td>12,500</td><td>10,000</td><td>82,500</td></tr><tr><td>Gwyn Burr</td><td>60,000</td><td>10,500</td><td>—</td><td>70,500</td></tr><tr><td>Diego Oliva</td><td>60,000</td><td>—</td><td>—</td><td>60,000</td></tr><tr><td>Roisin Donnelly</td><td>60,000</td><td>—</td><td>—</td><td>60,000</td></tr></table> <p>The fee levels shown above are effective for 2017 and replace fee levels which had previously applied since 1 January 2015 (base fee: £50,000; Committee Chair fee: £7,500; and Senior Independent Director fee: £5,000).</p> <p>When David Buttress joins the Board as a Non-executive Director, his annual fee will be paid at a rate of £60,000 per annum, consistent with the base fee for other Non-executive Directors.</p> <p>When the Chairman takes on the role of Executive Chairman in 2017, he will be paid additional fees for this period to take account of his extended responsibilities. The annual rate for such additional fees has been set at £245,000 so that, when combined with the Chairman's normal fees (£220,000 per annum), the combined normal and additional fees paid to the Chairman are calculated by reference to an annual rate of £465,000, being the current annual rate of the CEO's base salary. The Chairman will receive no other additional elements of remuneration for taking on the role of Executive Chairman.</p>		Base fee £	Committee Chair fee £	Senior Independent Director fee £	Total £	Andrew Griffith	60,000	12,500	10,000	82,500	Gwyn Burr	60,000	10,500	—	70,500	Diego Oliva	60,000	—	—	60,000	Roisin Donnelly	60,000	—	—	60,000
	Base fee £	Committee Chair fee £	Senior Independent Director fee £	Total £																						
Andrew Griffith	60,000	12,500	10,000	82,500																						
Gwyn Burr	60,000	10,500	—	70,500																						
Diego Oliva	60,000	—	—	60,000																						
Roisin Donnelly	60,000	—	—	60,000																						

Annual report on remuneration *continued*

Single total figure table (audited)

The remuneration for the Executive and Non-executive Directors of the Company who performed qualifying services during the year is detailed below. No payments have been made to past Directors other than as disclosed in relation to Mike Wroe.

For the year ended 31 December 2016:

	Salary and fees £	Taxable benefits ^{4,5} £	Bonus scheme ⁶ £	Long-term incentives ⁷ £	Pension ⁸ £	Other ⁹ £	Total £
John Hughes	180,000	26,685	—	—	—	—	206,685
David Buttress	465,000	127,881	657,743	—	23,250	—	1,273,874
Mike Wroe ¹	240,000	52,118	270,720	—	10,779	—	573,617
Paul Harrison ^{2,10}	107,692	485	121,184	—	5,385	254,916	489,662
Andrew Griffith	62,500	—	—	—	—	—	62,500
Gwyn Burr	57,500	986	—	—	—	—	58,486
Diego Oliva	50,000	—	—	—	—	—	50,000
Roisin Donnelly ³	10,448	—	—	—	—	—	10,448

1. Ceased to be CFO with effect from 26 September 2016 but remained with the Company throughout 2016. Amounts shown for salary, benefits and pensions are to end of September 2016. Additionally, normal salary (£80,000), benefits (£2,396) and pension (£3,515) amounts were paid from 1 October 2016 to 31 December 2016 in accordance with contractual notice. The bonus amount shown is apportioned to the end of September 2016. For the period 1 October 2016 to 31 December 2016, the accrued bonus element was £90,240.
2. CFO with effect from 26 September 2016.
3. Non-executive Director appointed with effect from 17 October 2016.
4. During the year, no payments were made to Non-executive Directors for expenses other than those incurred wholly and directly in the course of their appointments. The benefits disclosed in the table above for Non-executive Directors relate to the reimbursement of travel expenses in attending Board meetings at the Company's London office. The gross value has been disclosed.
5. Further details of Executive Director taxable benefits are provided in the taxable benefits sections on the following page. The benefits amount shown for Paul Harrison includes taxable expenses related to his relocation to the UK.
6. The bonus numbers above represent the outcomes for the Executive Directors under the Annual Bonus Plan as more fully detailed on page 66.
7. The long-term incentives column shows a nil value for 2016 as no long-term incentive awards vested by reference to performance in the 2016 financial year.
8. The pension numbers represent employer contributions to the defined contribution pension plan and/or cash amounts paid in lieu of employer contributions.
9. The other column includes the amounts paid to Paul Harrison in relation to his recruitment as more fully detailed on the following page.
10. Paul Harrison is a Non-executive Director of Hays plc and Ascential plc. Since his appointment as CFO, Paul received fees of £36,296 in aggregate fees in relation to these roles.

For the year ended 31 December 2015:

	Salary and fees £	Taxable benefits £	Bonus scheme £	Long-term incentives ¹ £	Pension £	Other ² £	Total £
John Hughes	100,000	27,515	—	1,275,651	—	—	1,403,166
David Buttress	420,000	112,947	627,896	3,839,207	21,000	4,500	5,025,550
Mike Wroe	300,000	54,885	345,600	1,615,335	15,000	4,500	2,335,320
Andrew Griffith	62,500	—	—	—	—	—	62,500
Gwyn Burr	57,500	872	—	—	—	—	58,372
Henri Moissinac	29,167	—	—	—	—	—	29,167
Diego Oliva	13,462	—	—	—	—	—	13,462

1. The long-term incentive column includes interests granted under the 2014 JSOP tranche 3 which were granted prior to the Company's IPO. These interests have performance conditions attached to vesting, as detailed within the JSOP section on page 67. These interests have been included in the single total figure table in the year for which the performance condition is measured (FY 2015). As required by the Directors' Remuneration Report Regulations, this has been revalued for 2016 to be based on the share price during 2016 when they commenced vesting, which was 493.7 pence for David Buttress (1 January 2016) and 438.3 pence for John Hughes and Mike Wroe (1 July 2016), less the hurdle price. The comparative share price used in the 2015 Directors' Remuneration Report was 440.5 pence (average share price in last quarter of 2015).
2. The Other column details the potential gain on the Sharesave options the Executive Directors have elected to participate in, calculated at the discount at which the awards have been granted (20 per cent discount to market value).

The three non-independent Non-executive Directors (Frederic Coorevits, Benjamin Holmes and Michael Risman) who served during 2015 and 2016 (part of 2016 only for Benjamin Holmes and Michael Risman), received no remuneration during these years.

Taxable benefits (audited)

Until the Joint Ownership Awards are sold, the Company makes annual payments to participants, the net amount of which will reimburse the participants for the annual income tax charge that arises on such proportion of the outstanding beneficial loan amount as is attributable to the remaining jointly owned shares. The annual payment made to the Chairman and Executive Directors and the taxable benefit arising on the outstanding loan amount are included within the taxable benefits column in the single total figure table. The taxable benefit arising on the outstanding loan amounts is detailed below:

	Taxable benefit arising on the JSOP loans	
	2016 £	2015 £
John Hughes	12,514	13,546
David Buttress	21,931	42,084
Mike Wroe (to September 2016)	9,592	21,110

In 2016, the related annual payments in respect of the income tax for the JSOP loans were as follows: John Hughes £10,765; David Buttress £20,025 and Mike Wroe £8,339 (to September 2016).

Further detail on the Joint Ownership Awards is provided on pages 67 and 68.

David Buttress and Mike Wroe are reimbursed for commuting costs plus the related tax liabilities and David Buttress receives a car allowance of £7,900 per annum.

The Executive Directors are non-contributory members of the Company's private health scheme, which provides cover for them and their immediate family, currently defined as their spouse/partner and dependant children aged under 21.

Although not a taxable benefit, the Executive Directors participate in the Company's life assurance scheme which pays their dependants a sum equal to four times salary if they die during their term of employment by the Company.

Summary of Mike Wroe's departure terms (audited)

Mike Wroe had served as a Director of the Board from 2013 and as the Company's CFO from 2008. As was disclosed at the time when Mike Wroe's departure was announced, Mike remained with the business for all of 2016 to ensure a successful and smooth handover.

Mike Wroe's departure terms are in accordance with the terms of his service agreement and the Company's remuneration policy. Mike Wroe's notice period is 12 months starting from 1 July 2016. Mike Wroe will remain under contract until 1 July 2017, and will continue to receive salary, benefits and pension contributions until the end of his notice period.

Mike Wroe is entitled to receive an annual bonus for 2016 (having remained with the business for that period), but not for 2017.

The Board and Remuneration Committee have determined that from the end of his notice period, Mike Wroe will be treated as a good leaver under the Company's share plans. As a result Mike Wroe will retain the awards previously granted in 2015 and 2016 under the Company's PSP. These PSP awards will vest at the originally specified vesting dates, three years after they were awarded, and will remain subject to the original pre-vesting performance conditions and will additionally be time pro-rated. The Committee has elected to release the additional two-year holding period for these awards from their respective vesting dates in 2018 and 2019.

Mike Wroe's JSOP awards that were granted before the Company's IPO will continue to vest on the terms originally specified for these awards. As the performance vesting conditions for these awards have already been achieved in full (as disclosed in the 2015 Directors' Remuneration Report), and the JSOP rules for good leavers prescribe that the time vesting requirements will be over 90 per cent fulfilled by the time of the expiry of Mike Wroe's notice period on 1 July 2017, the Remuneration Committee has, pursuant to the JSOP rules for good leavers, determined that these awards will vest in full at the expiry of Mike's notice period on 1 July 2017.

Summary of Paul Harrison's recruitment terms (audited)

Paul Harrison commenced work as our new CFO on 26 September 2016.

Paul Harrison was recruited on a base salary of £400,000 per annum. The other terms of Paul Harrison's ongoing package are detailed in the "Summary of implementation of Directors' remuneration policy in 2017" table on pages 62 and 63. The maximum annual bonus opportunity, annual PSP award and levels of provision of pension and other benefits are consistent with the participation levels which applied for Mike Wroe in 2016. Paul Harrison is also obliged to build a shareholding in the Company in accordance with the shareholding guidelines applicable for Executive Directors.

In 2016, Paul Harrison received his first annual PSP award. Also, Paul Harrison participated in the Annual Bonus Plan on a pro-rated basis for the part of 2016 in which he worked for the business.

Additional items agreed to be paid in cash to Paul Harrison in connection with his recruitment were as follows:

- amounts in respect of relocation costs, which include 12 months' rented accommodation, disturbance allowance, flights, shipping, legal and tax assistance and three months' hire car costs. This total may vary depending on actual cost for some of these items but is expected to be in the region of £130,000, some of which may be paid in financial year 2017; and
- £140,800 in order to buy out equity awards with Paul's former employer (WANDisco plc), which were forfeited on Paul's taking up his position with Just Eat.

Annual report on remuneration *continued*

Short-term incentives (audited)

Annual Bonus Plan

For 2016 bonuses were payable based on certain personal/strategic and financial performance targets which had been agreed at the start of the year.

	Weighting as % of bonus	David Buttress % achieved in 2016	Total bonus earned £	Mike Wroe % achieved in 2016	Total bonus earned £	Paul Harrison ¹ % achieved in 2016	Total bonus earned £
Personal/strategic measures	30%	24%	169,493	24%	92,160	25%	31,890
Financial measures:							
Revenue targets	35%	35%	244,125	35%	134,400	35%	44,647
Underlying EBITDA targets	35%	35%	244,125	35%	134,400	35%	44,647
Total bonus achieved	100%	94%	657,743	94%	360,960	95%	121,184

1. In 2016 Paul Harrison was included in the Annual Bonus Plan on a pro-rata basis for the part of the year in which he worked for Just Eat.

Against the specific financial measures (each weighted with 35 per cent of total annual bonus potential), out-turns were as follows:

Performance measure	Threshold performance level for the 2016 annual bonus (25% of each element)	On-target performance level for the 2016 annual bonus (50% of each element)	Maximum performance level for 2016 annual bonus (100% of each element)	Performance level attained for 2016 annual bonus	% of the maximum potential achieved
Revenue targets	£317.0m	£333.7m	£350.4m	£375.7m	100%
Underlying EBITDA targets	£85.9m	£95.4m	£104.9m	£115.3m	100%

These financial measures are Group KPIs as detailed on page 19.

In calculating the outcomes against financial measures, the Remuneration Committee has, consistent with how it applied the Directors' remuneration policy for 2015's annual bonus, used its judgement to exclude the impacts of acquisitions and disposals in the year. The adjustments removed both the positive and negative impacts of these actions so as to ensure the integrity of measuring performance against the initially set targets, within which these actions were not envisaged. Likewise, the targets and related outcomes were calculated on a constant currency basis, which for 2016 excluded the positive impact of exchange rates.

With regard to the personal/strategic measures (30 per cent of total opportunity), the strategic measures (10 per cent of total bonus opportunity) related to customer based metrics and were as follows:

Metric	2016 target	2016 attainment	Weighting of total bonus opportunity (% of max)	Level of 2016 bonus achieved
Active users	18.0m	17.6m	5.0%	0.0%
Number of restaurants	66,900	68,500	5.0%	5.0%

For the personal measures (20 per cent of total bonus opportunity), specific measures were set towards the beginning of the financial year. An assessment against the specified measures was carried out following the year end, and appropriate reports provided to the Remuneration Committee for review. For David Buttress, the personal measures included the following (where objectives are not disclosed, this is on the basis that they are regarded as commercially sensitive by the Board and it is not envisaged that such objectives will be disclosed in the future).

- *Product* – deliver market-leading products, including personalisation of the customer experience
- *Product* – increase restaurant owner engagement through market-leading order tracking systems
- *People* – attract and develop world class talent
- *Performance* – deliver all 2016 budgets, profits and growth expectations

Mike Wroe's personal objectives related to similar aspects of strategy as the personal objectives of David Buttress, although they were set with relevance for CFO responsibilities (for example, the integration of risk awareness within the Group's culture).

Following the review of performance against the specified objectives, the Remuneration Committee determined that the amounts shown in the table above in respect of personal measures were appropriately payable.

Long-term incentives (audited)

Awards granted under long-term incentive plans with performance conditions attached are included in the single total figure table within the long-term incentive column for the year for which performance conditions are measured.

No value is included in the 2016 single total figure as no long-term incentives vested by reference to 2016's performance.

Joint Share Ownership Plan ("JSOP")

Joint Ownership Awards have been made under the JSOP consisting of a joint interest in the shares subject to certain terms and conditions. The Ordinary Shares subject to Joint Ownership Awards are already in issue and are held by an Employee Benefit Trust ("EBT").

Under the terms, the participant's interest in the jointly owned shares entitles the participant to share in the proceeds of sale of the jointly owned shares up to the aggregate of the participant's subscription amount and the value in excess of a set hurdle. Each participant was required to pay a subscription amount for the jointly owned shares equal to the market value of the participant's interest as determined by HMRC. In accordance with the terms of the JSOP, such amount was left outstanding as a liability to the Company.

As a preparatory step to admission in April 2014, the Company called for all outstanding subscription amounts on the jointly owned shares to be paid up in full. In order to facilitate this, the Company has made a loan to the Chairman, Executive Directors and other participants, the amount of which was equal to their outstanding subscription. The loans become due for repayment at the latest by the date on which the jointly owned shares are disposed of and termination of continued employment. When the shares vest, if the value of the participant's interest is less than the outstanding beneficial loan amount, the balance remaining on the loan once the participant's interest has been deducted is no longer payable. As detailed in the taxable benefits section on page 65, the Company makes annual payments to reimburse participants for the income tax charge that arises on the outstanding loan amount each year.

The Joint Ownership Awards vest over time, with 25 per cent on the specified date established on grant and then equally on a quarterly or monthly basis until becoming fully vested on the fourth anniversary of the vest start date. Once vested, the participant can require the shares subject to the Joint Ownership Award to be sold and the net amount they receive will equal the proportion of the sale proceeds that exceeds the hurdle amount for their shareholding.

The 2014 JSOP tranches have the following vesting conditions:

Scheme	Vesting period	Vesting performance conditions ¹	Amount vesting if minimum performance achieved
2014 JSOP tranche 1	25% one year after the vesting start date and then equally on a monthly basis for the remaining three years	None	100%
2014 JSOP tranche 2	As above	Underlying EBITDA must be greater than £13.5 million for the year ended 31 December 2014	100%
2014 JSOP tranche 3	As above	Underlying EBITDA must be greater than £15.5 million for the year ended 31 December 2015	100%

1. Underlying EBITDA is the main measure of profitability used by management to assess the performance of the Group's businesses. It is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA") and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses (being profits or losses arising on the disposal and deemed disposal of operations, and gains and losses on financial assets held at fair value). At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements but incorporates an allocation of Group technology and central costs (both of which net out on a consolidated level).

Dividends payable on the jointly owned shares are split between the participant and the EBT, in proportion to the value of their respective interests at such time. There are currently no dividends accrued.

Annual report on remuneration *continued*

Long-term incentives (audited) *continued*

Joint Share Ownership Plan ("JSOP") *continued*

The following table summarises the shares over which the Chairman and Executive Directors had an interest under the JSOP and those interests that have vested and been sold during the year:

Scheme	Hurdle price pence	Number granted		Number vested		Number sold ²		Number of shares over which interest is held at 31 December 2016 ¹
		Prior to 2016	During 2016	Prior to 2016	During 2016	Prior to 2016	During 2016	
John Hughes								
JSOP 2011	12.0	1,620,000	—	1,518,750	101,250	862,097	525,000	232,903
JSOP 2013	34.0	540,000	—	337,500	135,000	—	—	540,000
2014 JSOP tranche 1	57.7	352,350	—	212,878	88,087	154,153	—	198,197
2014 JSOP tranche 2	66.3	352,350	—	124,790	88,088	—	—	352,350
2014 JSOP tranche 3	76.3	352,350	—	—	124,790	—	—	352,350
David Buttress								
2014 JSOP tranche 1	57.7	1,839,375	—	1,341,210	459,844	747,242	708,929	383,204
2014 JSOP tranche 2	66.3	919,674	—	440,677	229,918	—	498,156	421,518
2014 JSOP tranche 3	76.3	919,701	—	—	440,690	—	268,246	651,455
Mike Wroe								
JSOP 2011	12.0	720,900	—	720,900	—	180,225	540,675	—
2014 JSOP tranche 1	57.7	892,350	—	539,128	223,087	390,403	204,497	297,450
2014 JSOP tranche 2	66.3	446,175	—	158,020	111,544	—	185,906	260,269
2014 JSOP tranche 3	76.3	446,175	—	—	158,020	—	—	446,175

1. Total of unvested and vested interests (excluding those sold).

2. The number of interests sold during the year for John Hughes' JSOP 2011 includes 25,000 shares transferred out of the JSOP.

JSOP interests were sold by the Chairman and Executive Directors on 4 March 2016 at an average price of 393.1 pence per share, 21 June 2016 at an average price of 442.3 pence per share and 16 December 2016 at average price of 571.9 pence per share, resulting in a total gain on sale of £10,665,551.

Performance Share Plan ("PSP")

Details of the PSP awards held by Executive Directors are detailed in the table below:

	As at 1 January 2016	Awards granted Number	Awards vested Number	Awards exercised Number	Awards lapsed Number	As at 31 December 2016	Face value of awards granted in 2016	Earliest exercise date of awards granted in 2016	Latest exercise date of awards granted in 2016
David Buttress	95,545	235,097	—	—	—	330,642	£929,997	08/03/2021	07/03/2026
Mike Wroe	54,597	129,430	—	—	—	184,027	£511,999	08/03/2021	07/03/2026
Paul Harrison	—	111,537	—	—	—	111,537	£640,000	22/12/2021	21/12/2026

The 2016 award levels (200 per cent of salary for David Buttress; 160 per cent of salary for Mike Wroe and Paul Harrison respectively) are in line with prior disclosures regarding the application of the Directors' remuneration policy in 2016. The face values for the PSP awards made in 2016 have been calculated using the grant price in accordance with the plan rules. For the awards granted on 8 March 2016, the grant share price was 395.58 pence, which is the average share price over five days immediately preceding the grant date. For the awards made on 22 December 2016 the grant share price was 573.8 pence, which is the average share price over five days immediately preceding the grant date.

Details of the performance measures for the PSP awards can be found on the following page.

The minimum share price in 2016 was 329.1 pence and the maximum share price in 2016 was 599.5 pence. The closing share price on 31 December 2016 was 583.5 pence.

The performance measures and targets for the PSP awards made in 2015 and 2016 were based on adjusted EPS and relative TSR performance as summarised below:

Performance measure	2015 award (50% growth in adjusted EPS and 50% TSR)	2016 award (50% growth in adjusted EPS and 50% TSR)
Adjusted EPS growth 20% of this part vests at threshold performance rising on a pro-rata basis until 100% vests. Measured over three financial years commencing with the year of award.	Target range between 8.5 pence and 10.5 pence for FY 2017.	Target range between 11.0 pence and 13.8 pence for FY 2018.
TSR 20% of this part vests at threshold performance rising on a pro-rata basis until 100% vests. Measured over three financial years commencing with the year of award.	Target range between median performance against the constituents of the FTSE 250 (excluding investment trusts) rising on a pro-rata basis until full vesting for upper quintile performance.	Target range as for 2015.

Detail

The EPS condition applies to the EPS achieved in the final year only of the three-financial-year performance period, based on the reported fully diluted EPS (subject to such adjustments as the Committee considers appropriate).

The TSR condition compares the TSR over the three months prior to the start of the financial year in which the grant is made with the three months prior to the end of the third financial year. The comparator group is the constituents of the FTSE 250 (excluding investment trusts) as at the start of the relevant performance period.

The Committee selected these performance conditions as they provide a suitable balance between absolute growth (through EPS) and relative outperformance (through TSR).

Sharesave scheme

	As at 1 January 2016	Awards granted Number	Exercise price Pence	Awards vested Number	Awards exercised Number	Awards lapsed Number	As at 31 December 2016	Earliest exercise date	Latest exercise date
David Buttress	5,521	—	326.0	—	—	—	5,521	01/11/2018	30/04/2019
Mike Wroe	5,521	—	326.0	—	—	—	5,521	01/11/2018	30/04/2019

Statement of Directors' shareholding and share interests (audited)

The table below details the total number of Directors' interests in shares for the Chairman and each Executive Director at 31 December 2016. There are no shareholdings or share interests held by the Non-executive Directors.

With performance conditions

	Number of shares over which interest is held ('JSOP')			PSP	Total interest in shares
	Unvested	Vested but unsold	Total JSOP		
John Hughes	367,032	337,668	704,700	—	704,700
David Buttress	728,090	344,883	1,072,973	330,642	1,403,615
Mike Wroe	464,766	241,678	706,444	184,027	890,471
Paul Harrison	—	—	—	111,537	111,537

Annual report on remuneration *continued*

Statement of Directors' shareholding and share interests (audited) *continued* Without performance conditions

	Number of shares over which interest is held (JSOP)		Total JSOP	Sharesave	Shares held	Total interest in shares
	Unvested	Vested but unsold				
John Hughes	118,885	852,215	971,100	—	190,000	1,161,100
David Buttress	38,321	344,883	383,204	5,521	500,000	888,725
Mike Wroe	130,135	167,315	297,450	5,521	350,000	652,971
Paul Harrison	—	—	—	—	—	—

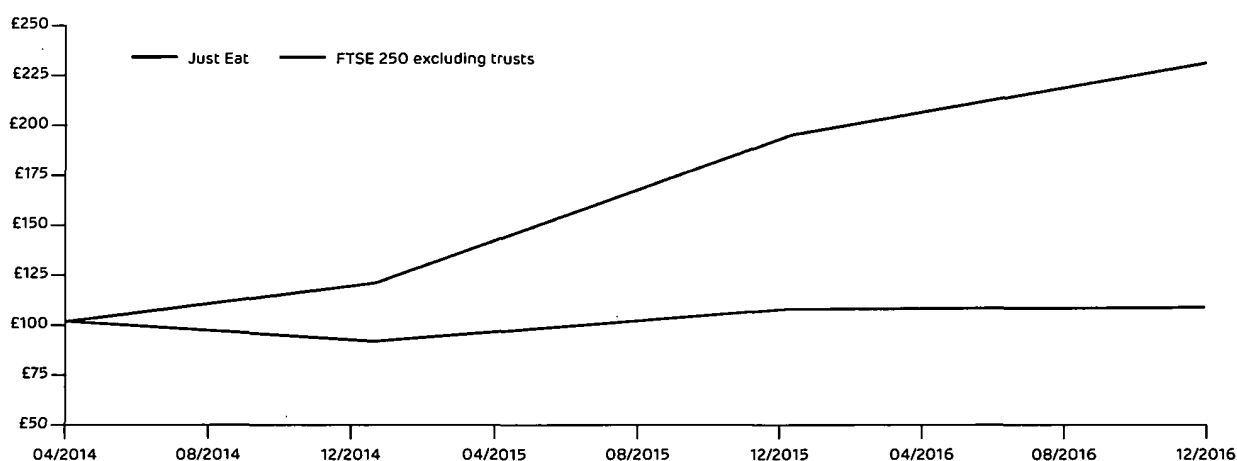
The shareholdings and awards set out above include those held by the Chairman and the Executive Directors and their respective connected persons. There have been no changes to Directors' interests in shares since 31 December 2016.

Under shareholding guidelines implemented by the Remuneration Committee, Executive Directors are required to build and then maintain a shareholding (excluding shares held conditionally under any incentive arrangements but including the number of shares to the value of any vested and exercisable interest under the Company's Joint Share Ownership Plan) equivalent to at least 400 per cent of base salary. At the 2016 year end, David Buttress complied with this requirement but Paul Harrison (having commenced work on 26 September 2016) did not. In accordance with the Company's shareholding guidelines, Paul Harrison will be expected to retain 50 per cent of the shares vesting under all share plans, after any disposals for the payment of applicable taxes, until attaining the required level of shareholding.

Performance graph and CEO remuneration table (unaudited)

The following graph shows the TSR performance of an investment of £100 in Just Eat plc shares from its listing in April 2014 to the end of the 2016 financial year compared with a £100 investment in the FTSE 250 Index (excluding investment trusts) over the same period. The FTSE 250 Index (excluding investment trusts) was chosen as a comparator because it represents a broad equity market index of which the Company is a constituent.

Total shareholder return index



The table below details the CEO remuneration over the same period as presented in the TSR graph:

	Single total figure of remuneration £	Annual bonus pay-out against maximum %	Long-term incentive vesting rates against maximum opportunity %
2016	1,273,874	94%	N/A
2015	5,025,550	100%	100%
2014	3,857,963	100%	100%

Appendix to the Directors' remuneration report

No long-term incentives vested during the year. As the Company listed in April 2014, part of the 2014 remuneration relates to when Just Eat was a privately owned group.

Percentage change in remuneration of the Director undertaking the role of CEO (unaudited)
The table below presents the year-on-year percentage change in remuneration received by the Chief Executive Officer, compared with the change in remuneration received by all UK employees. All UK employees was chosen as a suitable comparator group as this includes the UK call centre employees and excludes senior management and international employees who are on different pay structures.

	Percentage increase in remuneration between 2015 and 2016	
	CEO	All UK employees
Salary	11%	10%
Short-term incentives	5%	24%
All taxable benefits	13%	215%

The rise in salary for the Chief Executive Officer in 2016 was in line with the application of the Directors' remuneration policy as disclosed in the 2015 Directors' Remuneration Report.

Relative importance of spend on pay (unaudited)
The table below details the change in total employee pay between 2015 and 2016 as detailed in Note 7 of the financial statements. In line with our strategic plans, earnings have been retained for growth and development of the business and therefore no dividends have been paid since the one paid in April 2014 prior to the IPO as part of a capital restructuring. Underlying EBITDA and revenues have been used as a comparative measure as these KPIs are used by the Directors to measure performance. These measures have been calculated in line with those in the audited financial statements.

	% change	2016 £m	2015 £m
Total gross employee pay	31%	88.4	67.5
Revenues	52%	375.7	247.6
Underlying EBITDA	93%	115.3	59.7

Consideration by the Directors of matters relating to Directors' remuneration (unaudited)

The following Non-executive Directors were members of the Remuneration Committee during the year:

- Gwyn Burr, Chair;
- Andrew Griffith; and
- Diego Oliva.

FIT Remuneration Consultants LLP ("FIT") were selected by the Committee in 2014 as its remuneration advisers, after a tender and presentation process involving four leading firms. FIT exclusively advise the Committee and do not provide any other advice to the Group, nor do they advise management. This has, the Committee believes, ensured their objectivity and independence. FIT are members of the Remuneration Consultants Group and comply with its voluntary code of conduct in relation to executive remuneration consulting in the UK. FIT's professional fees for 2016 were £69,766 plus VAT and were charged on the basis of the firm's standard terms of business for advice provided.

The Remuneration Committee also consulted with the Chief Executive Officer, the Chief People Officer and the Company Secretary who attended, by invitation, various Remuneration Committee meetings during the year, although no executive is permitted to participate in discussions or decisions regarding his or her own remuneration. Input is also sought from the Chief Financial Officer as appropriate.

Statement of voting at general meeting (unaudited)

On 27 April 2016, the shareholders approved the 2015 Directors' Remuneration Report as detailed in the table below:

	Votes for (% of votes cast)	Votes against (% of votes cast)	Votes withheld
2015 Directors' Remuneration Report	491,467,455 (95.15%)	25,032,992 (4.85%)	2,823,188

The 2016 Directors' Remuneration Report will be put to an advisory vote at the Company's AGM on 27 April 2017.

Link of KPIs to Executive Director remuneration (unaudited)

The remuneration of Executive Directors is aligned closely with our KPIs through the Company's Annual Bonus Plan.

For 2016, the Annual Bonus Plan was aligned with two Group financial KPIs, revenues and Underlying EBITDA, and two of the Group's strategic, customer-focused KPIs, active users and number of restaurants.

The Executive Directors are also aligned to long-term performance through the PSP, which requires both good financial performance (measured using adjusted EPS) and good investment performance relative to other companies (measured using relative TSR) over a period of three financial years.

Details of the Group's KPIs are provided in the Strategic report on page 19.

Appendix to the Directors' remuneration report *continued*

For information only: Directors' remuneration policy

The Directors' remuneration policy as set out below was approved by the Company's shareholders at the Company's 2015 AGM held on 13 May 2015.

The policy has been developed mindful of the new Corporate Governance Code and is felt to be appropriate to support the long-term success of the Company while ensuring that it does not promote inappropriate risk taking.

Executive Directors	Base salary	Benefits ^{1,2}	Pension	Annual Bonus Plan
Element and purpose	This is the core element of pay and reflects the individual's role and position within the Group with some adjustment to reflect their capability and contribution.	To provide benefits valued by recipients.	To provide retirement benefits.	To motivate Executives and incentivise delivery of performance over a one-year operating cycle, focusing on the short/medium-term elements of our strategic aims.
Policy and operation	<p>Base salaries will be reviewed each year by the Committee.</p> <p>The Committee does not strictly follow data but uses the median position as a reference point in considering, in its judgement, the appropriate level of salary, having regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities.</p> <p>Base salary is paid monthly in cash.</p>	<p>The Executive Directors are reimbursed for their commuting costs and associated tax liabilities (up to a value of £12,000). Additionally, they receive a car allowance or company car (in the case of the CEO), private medical cover and insurance benefits. The Committee reserves discretion to introduce new benefits where it concludes that it is appropriate to do so, having regard to the particular circumstances and to market practice.</p> <p>Where appropriate, the Company will meet certain costs relating to Executive Director relocations and (if necessary) expatriate benefits.</p>	<p>Executive Directors can receive pension contributions to personal pension arrangements or the equivalent amount can be paid as a cash supplement in lieu of pension contributions (reduced for the impact of employer's NICs).</p>	<p>Annual Bonus Plan levels and the appropriateness of measures are reviewed annually at the commencement of each financial year to ensure they continue to support our strategy.</p> <p>Once set, performance measures and targets will generally remain unchanged for the year, except to reflect events such as corporate acquisitions or other major transactions where the Committee considers it to be necessary in its opinion to make appropriate adjustments.</p> <p>Annual Bonus Plan outcomes are paid in cash following the determination of achievement against performance measures and targets.</p> <p>The Committee will keep under review whether it is appropriate for bonuses to be partly deferred into shares. Where such arrangements are operated, individuals would be able to receive a dividend equivalent in cash or shares equal to the value of dividends which would have accrued during the vesting period.</p> <p>Clawback provisions apply to the Annual Bonus Plan as explained in more detail on page 75.</p>

1. Travel and hospitality

While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by the Company or another) and business travel for Executive Directors, Non-executive Directors and the Chairman (and exceptionally their families) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

2. Deemed benefits from JSOP participation

Payments to any Director in respect of the deemed cost of interest on loans relating to participation in the JSOP and, if relevant, the writing off of any such loans are benefits within the scope of the Directors' remuneration policy. The value of any such amounts is in addition to the maximum amounts stated in the table above for benefits for Executive Directors and for Chairman and Non-executive Directors' fees.

Executive Directors	Base salary	Benefits ^{1,2}	Pension	Annual Bonus Plan
Maximum	<p>The Executive Directors' salaries will not be increased so as to exceed the median for the equivalent roles in companies listed on the London Stock Exchange with a market capitalisation ranking which places them within 30 above and 30 below that of the Company at or around the time when the Committee obtains such benchmark data. In practice, the Company envisages, for the three-year life of this policy, further discounting the data by 20% to reflect the Company's high market capitalisation to revenue ratio but reserves the right not to apply such discount should it consider that to be necessary to retain or recruit appropriate Executives.</p> <p>Once a suitable market level is achieved, further increases would not normally be more than the average awarded to staff generally.</p>	<p>It is not possible to prescribe the likely change in the cost of insured benefits or the cost of some of the other reported benefits year to year, but the provision of benefits will operate within an annual limit of £100,000 (plus a further 100% of base salary in the case of relocations and expatriate benefits).</p> <p>The Committee will monitor the costs of benefits in practice and will ensure that the overall costs do not increase by more than the Committee considers appropriate in all the circumstances.</p>	<p>The maximum employer's contribution is limited to up to 10% of base salary, although it is not currently anticipated that this will increase above the current 5% level for the three-year life of this policy.</p>	<p>The maximum level of Annual Bonus Plan outcomes is 150% of base salary per annum for the CEO and 120% for any other Executive Director for the duration of this policy.</p>
Performance measures	N/A	N/A	N/A	<p>The performance measures applied may be financial or non-financial and corporate, divisional or individual and in such proportions as the Committee considers appropriate.</p> <p>Attaining the threshold level of performance for any measure will not produce a pay-out of more than 25% of the maximum portion of overall annual bonus attributable to that measure, with a sliding scale to full pay-out for maximum performance.</p> <p>However, the Annual Bonus Plan remains a discretionary arrangement and the Committee retains a standard power to apply its judgement to adjust the outcome of the Annual Bonus Plan for any performance measure (from zero to any cap) should it consider that to be appropriate.</p>

Appendix to the Directors' remuneration report *continued*

For information only: Directors' remuneration policy *continued*

Executive Directors	Long-term incentives	Share ownership guidelines	All-employee share plans
Element and purpose	To motivate and incentivise delivery of sustained performance over the long term, and to promote alignment with shareholders' interests, the Group intends to operate the Performance Share Plan ("PSP"). The Company also has the ability to grant market value options under an Employee Share Option Scheme ("ESOS"), although it is not currently intended that Executive Directors will receive awards under the ESOS.	To further align the interests of Executive Directors with those of shareholders.	To encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of the shareholders.
Policy and operation	<p>Awards under the PSP may be granted as nil-cost options, conditional awards and forfeitable shares which vest to the extent performance conditions are satisfied over a period of at least three years.</p> <p>Under the PSP plan rules, vested awards may also be settled in cash.</p> <p>The PSP rules allow that the number of shares subject to vested PSP awards may be increased to reflect the value of dividends that would have been paid in respect of any ex-dividend dates falling between the grant of awards and the expiry of any vesting and holding period for awards.</p> <p>Vested awards will be subject to a two-year holding period during which time awards may not be exercised or released but are no longer contingent on future employment.</p> <p>Clawback provisions apply to PSP awards and are explained in more detail on the following page.</p> <p>The Company will honour the vesting of all awards granted under previous policies in accordance with the terms of such awards; in particular, outstanding JSOP awards (and related loans) will continue on their terms.</p>	Executive Directors are expected to retain 50% of the Ordinary Shares vesting under all share plans, after any disposals for the payment of applicable taxes, until they have achieved the required level of shareholding (currently 400% of salary).	<p>The Company-operated Sharesave Scheme and Share Incentive Plan are all-employee share plans established under HMRC tax-advantaged regimes and follow the usual form for such plans.</p> <p>Executive Directors are able to participate in all-employee share plans on the same terms as other Group employees.</p>
Maximum	<p>The PSP allows for awards over shares with a maximum value as at the date of award of 200% of base salary per financial year, which may be increased to 300% in exceptional circumstances.</p> <p>The ESOS allows for market value options over shares with a maximum value as at the date of award of 300% of base salary per financial year, which may be increased to 400% in exceptional circumstances.</p> <p>The Committee expressly reserves discretion to make such awards as it considers appropriate within these limits (although, as stated above, it is not currently intended that Executive Directors will receive awards under the ESOS).</p>	<p>400% of base salary for all Executive Directors.</p> <p>The Committee reserves the power to amend (but not reduce) these levels in future years.</p>	The maximum participation levels for all-employee share plans will be the limits for such plans set by HMRC from time to time.
Performance measures	<p>The Committee may set such performance conditions on PSP awards as it considers appropriate (whether financial or non-financial and whether corporate, divisional or individual).</p> <p>Once set, performance measures and targets will generally remain unaltered unless events occur which, in the Committee's opinion, make it appropriate to alter the performance conditions in such manner as the Committee thinks fit.</p> <p>Performance periods may be over such periods as the Committee selects at grant, which will not normally be less than (but may be longer than) three years.</p> <p>No more than 20% of awards vest for attaining the threshold level of performance conditions.</p>	N/A	Consistent with normal practice, such awards are not subject to performance conditions.

Chairman and Non-executive Directors Chairman and Non-executive Director fees ^{1,2}	
Element and purpose	To enable the Company to recruit and retain a Chairman and Non-executive Directors of the highest calibre, at the appropriate cost.
Policy and operation	<p>The fees paid to the Chairman and to Non-executive Directors aim to be competitive with other fully listed companies of equivalent size and complexity.</p> <p>The fees payable to the Non-executive Directors are determined by the Board.</p> <p>The fees payable to the Chairman are determined by the Remuneration Committee.</p> <p>All fees will be subject to periodic review. For Non-executive Directors the fee structures may involve separate fees for chairing or for membership of Board Committees.</p> <p>Non-executive Directors will not participate in any new cash or share incentive arrangements from admission.</p> <p>No benefits are envisaged for the Non-executive Directors (including the Chairman) but the Company reserves the right to provide benefits (including travel and office support) within the prescribed limits.</p> <p>Fees are paid monthly in cash.</p>
Maximum	<p>The aggregate fees (and any benefits) of the Chairman and Non-executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £2 million per annum in aggregate).</p> <p>Any increases actually made will be appropriately disclosed.</p>
Performance measures	N/A

1,2. See Notes on page 72.

Clawback

Clawback (being the ability of the Company to claim repayment of paid amounts as a debt within two years of payment) provisions apply to the Annual Bonus Plan and PSP in certain circumstances (e.g. misstatement of accounts, miscalculation of vesting/payouts and an act/omission that justifies summary dismissal for misconduct (which has no time limit)).

Stating maximum amounts for the remuneration policy

The Directors' Remuneration Report regulations and related investor guidance encourage companies to disclose a cap within which each element of the Directors' remuneration policy will operate. Where maximum amounts for elements of remuneration have been set within the Directors' remuneration policy, these will operate simply as caps and are not indicative of any aspiration.

Differences between the policy on remuneration for Directors and the policy on remuneration for other employees

While the appropriate benchmarks vary by role, the Company seeks to apply the philosophy behind this policy across the Company as a whole. Where Just Eat's pay policy for Directors differs from its pay policies for groups of employees, this reflects the appropriate market rate position for the relevant roles. The Company takes into account pay levels, bonus opportunity and share awards applied across the Group as a whole when setting the Executive Directors' remuneration policy.

Variations in share capital

The LTIP and ESOS contain standard provisions that allow for the adjustment of awards to take account of variations in share capital, demergers, special dividends, etc.

Service contracts

Executive Directors

The Committee's policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination by the Company on 12 months' notice or six months' notice by the individual. The service agreements of all Executive Directors comply with that policy.

The service agreements reserve the right for the Company to make a payment in lieu of notice to an Executive Director for the amount of 1.2 and 1.1 times (for the CEO and CFO respectively) of base salary for the notice period if notice is served on or after 1 January 2015.

The small premium to base salary reflects the Company's estimate of fixed benefits costs. Such sums may be paid in instalments and would cease or be reduced if the individual finds an alternative role. Contracts do not contain change of control provisions but do contain provisions allowing for summary termination.

The Committee reserves flexibility, for an appropriate candidate in exceptional circumstances only, to introduce a longer initial notice period (of up to two years) reducing over time.

Appendix to the Directors' remuneration report *continued*

Service contracts *continued*

Executive Directors *continued*

The date of each Executive Director's contract is:

	Contract date
David Buttress	8 April 2014
Paul Harrison	21 June 2016

The service agreements of the Executive Directors are available for inspection at the Company's registered office during normal business hours and at the Company's AGM, including during the 15 minutes preceding this.

Chairman and Non-executive Directors

Each Non-executive Director and the Chairman is engaged for an initial period of two years, subject to annual renewal at the AGM. For Non-executive Directors, other than the Chairman, these engagements can be terminated by either party on three months' notice.

The Non-executive Directors cannot participate in new awards under the Company's incentive plans from admission, are not entitled to any pension benefits and are not entitled to any payment in compensation for early termination of their appointment beyond the three months' notice referred to above.

For the Chairman and each Non-executive Director the effective date of their latest letter of appointment is:

Name	Date of appointment	Term
John Hughes CBE	15 December 2011	2 years
Frederic Coorevits	10 July 2009	2 years
Andrew Griffith	12 March 2014	2 years
Gwyn Burr	12 March 2014	2 years
Diego Oliva	24 September 2015	2 years
Roisin Donnelly	17 October 2016	2 years

The letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office during normal business hours and at the Company's AGM, including during the 15 minutes preceding this.

Recruitment remuneration policy

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high calibre Executives to strengthen the management team and secure the skillsets to deliver the Group's strategic aims.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the general policy for Executive Directors as set out on the previous pages and structure a package in accordance with that policy. Consistent with the Directors' Remuneration Report Regulations, the caps contained within the policy for fixed pay do not apply to new recruits, although the Committee would not envisage exceeding these caps in practice.

The Annual Bonus Plan and long-term incentives will operate (including the maximum award levels) as detailed in the general policy in relation to any newly appointed Executive Director. Any recruitment-related long-term incentive awards which are not buy-outs will be subject to the limits as stated in the general policy (e.g. 300 per cent in the PSP). Details of any recruitment-related awards will be appropriately disclosed.

For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy out awards forfeited by the individual on leaving a previous employer. For the avoidance of doubt, buy-out awards are not subject to a formal cap.

For any buy-outs the Company will not pay more than is, in the view of the Committee, necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing Annual Bonus Plan and long-term incentives. It may, however, be necessary in some cases to make buy-out awards on terms that are more bespoke than the existing Annual Bonus Plan and long-term incentives.

All buy-outs, whether under the Annual Bonus Plan, long-term incentives or otherwise, will take account of the service obligations and performance requirements for any remuneration relinquished by the individual when leaving a previous employer. The Committee will seek to make buy-outs subject to what are, in its opinion, comparable requirements in respect of service and performance.

However, the Committee may choose to relax this requirement in certain cases (such as where the service and/or performance requirements are materially completed, or where such factors are, in the view of the Committee, reflected in some other way, such as a significant discount to the face value of the awards forfeited) and where the Committee considers it to be in the interests of shareholders.

A new Non-executive Director would be recruited on the terms explained above in respect of the main policy for such Directors.

Termination policy summary

It is appropriate for the Committee to consider treatment on a termination having regard for all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination (see "Service contracts" on pages 75 and 76) and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Annual Bonus Plan and PSP plans. The potential treatment on termination under these plans is summarised in the table below.

Incentives	If a leaver is deemed to be a "good leaver", e.g. leaving through death or otherwise at the discretion of the Committee	If a leaver is deemed to be a "bad leaver", e.g. leaving for disciplinary reasons or to join a competitor	Other exceptional cases, e.g. change in control
Annual Bonus Plan	The Committee has the discretion to determine the annual bonus which will typically be limited to the period actually worked.	No awards made.	The Committee has the discretion to determine the annual bonus.
PSP	Receive a pro-rated award subject to the application of the performance conditions at the end of the normal performance period. The Committee retains standard discretions to either vary time pro-rating or to accelerate vesting (and release any holding period) to the earlier date of cessation (determining the performance conditions at that time).	All awards will normally lapse.	Receive a pro-rated award subject to the application of the performance conditions at the date of the event, subject to standard Committee discretions to vary time pro-rating.

Under the JSOP, "good leavers" will retain the rights to any vested portions of their awards for a period and "bad leavers" will have their awards repurchased at cost.

SIP and the Sharesave Scheme provide treatments for leavers in line with HMRC rules for such plans.

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may pay a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the policy does not include an explicit cap on the cost of termination payments.

External appointments

The Company's policy is to permit an Executive Director to serve as a Non-executive Director elsewhere when this does not conflict with the individual's duties to the Company and, where an Executive Director takes such a role, they will be entitled to retain any fees which they earn from that appointment.

Statement of consideration of employment conditions elsewhere in the Group

Pay and employment conditions generally in the Group are taken into account when setting Executive Directors' remuneration.

The Committee receives regular updates on overall pay and conditions in the Group, including (but not limited to) changes in base pay and any staff bonus pools in operation. There is also oversight of the all-employee share schemes which Executive Directors and all other Group employees can participate in on the same terms and conditions.

Reflecting standard practice, the Company did not consult with employees in preparing this Remuneration Report.

Independent auditor's report

to the members of Just Eat plc

Opinion on financial statements of Just Eat plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements that we have audited comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Other Comprehensive Income;
- the Consolidated and Company Balance Sheets;
- the Consolidated and Company Statements of Changes in Equity;
- the Consolidated and Company Cash Flow Statements; and

- the related Notes 1 to 45, including the accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Summary of our audit approach

Key risks

The key risks that we identified in the current year were:

- Business combinations:
 - acquisitions of La Nevera Roja in Spain, PizzaBo/hellofood in Italy, hellofood in Mexico and Brazil, and SkipTheDishes in Canada;

- the disposal of the Benelux business; and
- the announcement of the planned acquisition of hungryhouse, which is pending CMA approval.
- Impairment of goodwill and intangible assets, specifically in respect of Australia & New Zealand and Mexico; and

- Central provisions held for uncertain international corporate tax positions.

Within this report, any new risks are identified with Any risks which are the same as the prior year are identified with

Materiality

We determined materiality for the Group to be £4.0 million, based on 5 per cent of pre-tax profit of £91.3 million and capped to the materiality calculated at the planning stage of our audit.

Scoping

The most significant component of the Group is the UK operation, which accounts for 63 per cent of revenue, 112 per cent of profit before tax and -2 per cent of net assets. The Group audit team performs the audit of the UK business without the involvement of a separate component team.

Full scope audits were performed for the Danish, French and Australian & New Zealand operations for the year ended 31 December 2016 by component teams.

These locations represent the principal business units and account for £313.9 million out of the

£375.7 million of the Group's revenue, £816.8 million out of £825.7 million of the Group's net assets and £88.3 million out of £91.3 million of the Group's profit before tax.

Significant changes in our approach

This year, we have included a risk in respect of uncertain tax provisions, due to the increase in the Group's global footprint and hence the increased complexity of potential uncertain tax positions.

This year, materiality is based on 5 per cent of pre-tax profit. In the prior year, materiality was based on 5 per cent of pre-tax profit adjusted for certain acquisition related amounts.

Going concern and the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within Note 2 to the financial statements and the Directors' statement on the longer-term viability of the Group contained within the Strategic Report on page 21.

We are required to state whether we have anything material to add or draw attention to in relation to:

- the Directors' confirmation on page 20 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 22 to 23 that describe those risks and explain how they are being managed or mitigated;

- the Directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation on page 21 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We confirm that we have nothing material to add or draw attention to in respect of these matters.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards.

We confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

As noted above, the risk in respect of uncertain tax provisions has been included in the current year, due to the increase in the Group's global footprint and hence increased complexity.

The other risks are consistent with the prior year, albeit the business combinations relate to the acquisitions and disposals accounted for in the current year.

Business combinations

Risk description

As noted in the Report of the Audit Committee on page 53, there have been several acquisitions and a disposal of Group entities during the year.

Acquisitions of La Nevera Roja in Spain, PizzaBo/hellofood in Italy, hellofood in Mexico and Brazil, and SkipTheDishes in Canada As detailed in Notes 13 and 14, £181.2 million of goodwill and £26.3 million of intangible assets have been recognised in connection

with the acquisitions. Of this, the acquisitions of La Nevera Roja, PizzaBo and hellofood based in Spain, Italy, Mexico and Brazil respectively, and SkipTheDishes in Canada represented £89.1 million and £92.1 million of the increase in goodwill, and £7.0 million and £19.3 million of the increase in intangible assets respectively. The accounting for SkipTheDishes is provisional as at 31 December 2016, due to the proximity of the acquisition to the year end.

The accounting for these transactions is complex due to the judgements taken in the application of accounting standards, for example the valuation of the businesses, the recognition and valuation of consideration, the identification and valuation of intangible assets and the accounting for financial instruments.

Independent auditor's report *continued*

Business Combinations *continued*

Risk description continued

In addition, there are certain key assumptions which impact the valuation of the intangible assets including, but not limited to, the discount rate, future cash flows, churn rate of restaurants and long term growth rates. Due to the size and complexity of these acquisitions, our risk regarding acquisitions has been focused on these transactions.

The disposal of the Benelux business
The disposal of the Benelux business had no impact on the goodwill carrying value as it had been fully impaired in a prior period. As detailed in the other

gains and losses in Note 9, the disposal resulted in a gain of £18.7 million.

Due to the quantum of the gain on disposal in this transaction, we have focused our testing in this area.

The announcement of the planned acquisition of hungryhouse, which is pending CMA approval. As at 31 December 2016, the acquisition of hungryhouse was pending CMA approval. As such, the business is not consolidated in the current year.

There is judgement involved in the accounting for the £6.0 million deposit paid and the acquisition costs, recognised as a provision at the year end. As such, we consider this to be a key area of focus for the year.

The associated judgements and estimates for each of these transactions are described further in Note 40 to the financial statements and in the Report of the Audit Committee on page 53.

How the scope of our audit responded to the risk

We have performed the following procedures to address this key audit risk and assess compliance with IFRS 3 *Business Combinations*, as well as review the disclosures presented in Note 31 to the financial statements to confirm compliance with the provisions within IFRS 3 and IAS 37:

Acquisitions of La Nevera Roja in Spain, PizzaBo/hellofood in Italy, hellofood in Mexico and Brazil, and SkipTheDishes in Canada

- obtained and reviewed the share purchase agreements, due diligence reports and associated contractual agreements for the current year business combinations and understood the terms and conditions of each transaction;
- tested the initial consideration, either through cash or shares, to the signed purchase agreement and to bank statements and assessed the accuracy and completeness of the fair value of the total consideration determined by management;
- tested the methodology applied in the valuation models prepared by management for La Nevera Roja, PizzaBo and hellofood to account for the intangible assets, and the key assumptions (cash flows, discount rate, order growth rate and churn of restaurants) by benchmarking against previous acquisitions and existing operations and market data and engaged our internal valuation specialists to support this testing;

- considered the proportion of intangible assets and goodwill recognised and compared these to previous acquisitions completed by the Group to assess consistency and comparability of approach;
- examined and assessed the inputs within the valuation models, including the future growth patterns, comparing them to the historical trends achieved in more mature markets;
- obtained the financial instrument contracts associated with the La Nevera Roja, PizzaBo and hellofood acquisitions, and engaged our financial instrument specialists to perform an independent calculation of hedge effectiveness and assess the accounting treatment for the cash flow hedge;
- tested the provisional accounting entries for the SkipTheDishes acquisition, which completed on 14 December 2016, by checking the consistency of the methodology applied to value the business and intangible assets with previous similar acquisitions and assessed key assumptions, including the discount rate, future cash flows and long-term growth rates specific to that business; and
- tested the post-acquisition remuneration element in connection with SkipTheDishes by reviewing the terms associated with the remuneration, the allocation to the income statement and the recognition over the period to which it relates.

The disposal of the Benelux business

- obtained and reviewed the share purchase agreement for the disposal and understood the terms and conditions of the transaction;

- assessed the net liability position at the disposal date by understanding movements since the 2015 year end;
- recalculated the gain on disposal for the Benelux business; and
- vouched the sales proceeds to the signed share purchase agreement and bank statement.

The announcement of the planned acquisition of hungryhouse, which is pending CMA approval

- reviewed the share purchase agreement signed in December 2016 and understood the terms and conditions;
- assessed the judgements made in recognising the costs and deposit in respect of the hungryhouse acquisition, and discussed these with management, in-house legal team and management's external legal advisers; and
- substantively tested a sample of the acquisition costs, which covered the majority of the expense, and agreed to engagement letters with professional advisers; and vouched payment of the £6.0 million deposit to bank statement.

Key observations

The results of our testing were satisfactory and we consider the disclosure surrounding business combinations to be appropriate.

**Impairment of goodwill and intangible assets in respect of
Australia & New Zealand and Mexico cash-generating units**
Risk description

As at 31 December 2016, the Group recognised goodwill of £725.2 million (2015: £457.1 million) and intangible assets of £103.4 million (2015: £72.6 million).

The Group is highly acquisitive and the current year acquisitions have resulted in an increase of £181.2 million in the goodwill balance and £26.3 million in intangible assets, due to the acquisitions in Italy, Spain, Mexico, Brazil and Canada as on pages 79 to 80.

In addition, goodwill of £476.3 million and intangible assets of £59.1 million are attributable to the Australia & New Zealand and Mexico cash-generating units ("CGUs"), which the Group acquired in the prior year and are dependent on significant growth in the next five to ten years.

The key assumptions applied by the Directors in the impairment reviews are:

- country-specific discount rates;
- future revenue growth; and
- expected marketing and staff costs.

As described in the Report of the Audit Committee on page 53, and Notes 13 and 14 of the consolidated financial statements, determining whether the carrying value of goodwill and intangible assets is recoverable requires management to make significant estimates regarding the future cash flows, discount rates and long-term growth rates based on management's view of future business prospects. Due to the relative sensitivity of certain inputs to the impairment testing process, in particular the future cash flows of the CGUs noted above, the valuation of goodwill and intangible assets is considered a key audit risk.

How the scope of our audit responded to the risk

In order to address this audit risk we audited the assumptions used in the impairment model for goodwill and intangible assets. As part of our work, we:

- considered the projected future cash flows, understood variances between the forecast and actual results for the year ended 31 December 2016 and compared the forecast growth trends to historic trends achieved in more mature markets that have already reached maturity;
- compared the long-term growth rates for each CGU to external market data;
- were assisted by our valuation specialists in computing an

- independent calculation of the discount rates and assessing management's methodology used in calculating the rates applied;
- assessed the appropriateness of the sensitivities applied by management to the impairment testing model including considering whether the scenarios (reduction in future cash flows and increase in the discount rate specific for each CGU, which are set out in Note 13) represented reasonably possible changes in key assumptions;
- performed further sensitivities based on recent trading activity and our understanding of the future prospects to identify whether these scenarios could give rise to further impairment; and

- checked the arithmetical accuracy of the impairment model and the amortisation charge in the year on the intangible assets, other than goodwill, and assessed the appropriateness of the useful economic life applied to those assets.

We also considered the adequacy of the Group's disclosure in respect of its goodwill impairment testing and whether the disclosures about the sensitivity of the outcome of the impairment assessment to reasonably possible changes in key assumptions properly reflected the risks inherent in such assumptions.

Key observations

We have assessed the impairment calculations for goodwill and intangible assets for each CGU and are satisfied that the assumptions applied within the models are appropriate. In addition, we agree that the impairment disclosures are reasonable.

Independent auditor's report *continued*

Central provisions held for uncertain international corporate tax positions

Risk description

The increase in the Group's global footprint together with the emerging changes to the international tax landscape as a result of the OECD's focus on Base Erosion and Profit Shifting have increased the complexity in assessing the valuation of the uncertain tax

provisions in different geographies. The Group's exposure to significant tax risks and the level of provisions recognised and the associated disclosure are considered audit risks.

The total provision in the current year is £9.8 million.

The Group's accounting policy on taxation is on page 129 and the critical accounting judgements and key sources of estimation uncertainty are on page 134.

How the scope of our audit responded to the risk

We have performed the following procedures to address this audit risk:

- engaged our tax specialists who considered any significant taxation exposures across the Group, including challenging the estimates and judgements made by management when calculating the associated provisions held;
- considered the tax environment in the significant countries in which the Group operates, the outcome

of past settlements for the Group and other entities operating in these jurisdictions, and the status of tax audits; and

- reviewed correspondence with taxation authorities in significant locations, as well as reviewing the opinions or other documentation received from external counsel and other advisers where management has relied on them to make assumptions on the provisions in place.

We also considered the adequacy of the Group's disclosure in respect of its taxation disclosures throughout the Annual Report, as well as the accounting policies and key sources of estimation uncertainty. The tax provisions are described further in Note 11 to the financial statements and in the Report of the Audit Committee on page 53.

Key observations

The results of our audit work were satisfactory and we concur that the total level of provision is within an acceptable range, based on the information currently available.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality
£4.0 million (2015: £2.0 million)

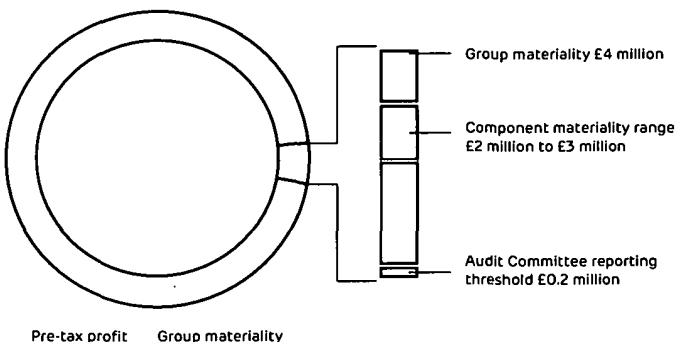
Basis for determining materiality
5 per cent of pre-tax profit of £91.3 million was used to determine our materiality in the current year. Materiality has been capped at £4.0 million.

Rationale for the benchmark applied
In determining our final materiality based on our professional judgement, we have considered a number of

benchmarks or financial indicators including the final profit before tax figure (£91.3 million), revenue, the growth history of the business, exceptional items and other gains or losses. The materiality applied represents 4.4 per cent of pre-tax profit, 1 per cent of revenue and 0.5 per cent of equity.

The benchmark in the prior year was pre-tax profit adjusted for one-off acquisition related items.

Pre-tax profit £91.3 million



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.2 million (2015: £0.04 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The most significant component of the Group is the UK operation, which accounts for 63 per cent of revenue, 112 per cent of profit before tax and -2 per cent of net assets. The Group audit team performs the audit of the UK business without the involvement of a component team. Full scope audits were performed for the Danish, French and Australian & New Zealand operations for the year ended 31 December 2016 by component teams. In addition, Ireland, Canada, Spain and Italy were subject to a limited scope audit of specific account transactions and account balances. They were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. These locations represent the principal business units and account for £344.6 million out of the £375.7 million of the Group's revenue, £824.7 million out of £827.4 million of the Group's net assets and £91.6 million out of £91.3 million of the Group's profit before tax.

At the Parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of

material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

	Revenue	Profit before tax	Net assets
Full audit	313.9	88.4	817.2
Limited scope audit	30.7	3.3	7.9
Out of scope	31.1	(0.4)	0.6

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and ranged from £2.0 million to £3.0 million (2015: £0.95 million to £1.6 million).

A senior member of the Group audit team has visited all entities where a full audit is performed for the purposes of the Group audit. Going forward, we will follow a programme of planned visits that has been designed so that a senior member of the Group audit team visits each of the significant locations where the Group scope was focused at least once every two years, and the most significant of them at least once a year. In years when we do not visit a significant component we will include the component audit team in our team briefing, discuss its risk assessment, attend the close meetings remotely, and review documentation of the findings from its work.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not

been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Statement

relating to the Company's compliance with certain provisions of the UK Corporate Governance Code.

We have nothing to report arising from our review.

Independent auditor's report *continued*

Matters on which we are required to report by exception *continued*

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially

inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or

- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is

fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland).

Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006.

Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have

been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and

to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Anna Marks FCA (Senior statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
6 March 2017

Consolidated income statement

Year ended 31 December 2016

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Continuing operations			
Revenues	3	375.7	247.6
Cost of sales		(35.2)	(24.2)
Gross profit		340.5	223.4
Long-term employee incentive costs	4, 34	(3.1)	(2.9)
Exceptional items	5	(14.6)	(6.6)
Other administrative expenses		(250.2)	(176.2)
Total administrative expenses		(267.9)	(185.7)
Share of results of associates	16	(0.1)	(2.2)
Operating profit	6	72.5	35.5
Gain on disposal of Benelux businesses	9	18.7	—
Net other gains/(losses)	9	0.1	(0.7)
Finance income	10	0.6	0.4
Finance costs	10	(0.6)	(0.6)
Profit before tax		91.3	34.6
Taxation	11	(19.9)	(11.6)
Profit for the year		71.4	23.0
<i>Attributable to:</i>			
Owners of the Company		71.7	23.1
Non-controlling interests	30	(0.3)	(0.1)
		71.4	23.0
Earnings per Ordinary Share (pence)	12		
Basic		10.7	3.8
Diluted		10.5	3.7
Adjusted earnings per Ordinary Share (pence)	12		
Basic		12.2	6.6
Diluted		12.0	6.4
Reconciliation of operating profit to Underlying EBITDA			
Operating profit		72.5	35.5
Depreciation and amortisation	3	24.9	14.8
Long-term employee incentive costs	4, 34	3.1	2.9
Exceptional items	5	14.6	6.6
Net foreign exchange losses/(gains)		0.2	(0.1)
Underlying EBITDA	3	115.3	59.7

Underlying EBITDA is the main measure of profitability used by management to assess the performance of the Group's businesses. It is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA"), and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses.

Consolidated statement of other comprehensive income

Year ended 31 December 2016

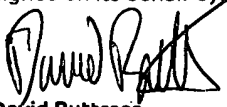
	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Profit for the year		71.4	23.0
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations – Group	27	97.9	(7.8)
Exchange differences on translation of foreign operations – Associates	27	7.7	(3.5)
Exchange differences on translation of foreign operations reclassified to the income statement on disposal	27	0.1	(0.1)
Exchange differences on translation of non-controlling interest	30	(0.2)	—
Fair value gains/(losses) on cash flow hedges	28	1.8	(6.2)
Income tax related to fair value gains/(losses) on cash flow hedges	28	(0.5)	1.2
Net fair value gains/(losses) on cash flow hedges reclassified to goodwill	28	(1.3)	5.0
Other comprehensive income/(loss) for the year		105.5	(11.4)
Total comprehensive income for the year		176.9	11.6
<i>Attributable to:</i>			
Owners of the Company		177.4	11.7
Non-controlling interests	30	(0.5)	(0.1)
Total comprehensive income for the year		176.9	11.6

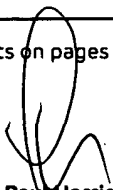
Consolidated balance sheet

As at 31 December 2016

	Notes	As at 31 December 2016 £m	As at 31 December 2015 £m
Non-current assets			
Goodwill	13	725.2	457.1
Other intangible assets	14	103.4	72.6
Property, plant and equipment	15	12.4	8.6
Investments in associates	16	29.7	16.6
Other investments	17	4.1	0.1
Deferred tax assets	18	14.4	6.5
		889.2	561.5
Current assets			
Operating cash		96.8	148.9
Cash to be paid to Restaurant Partners		33.8	43.8
Cash and cash equivalents	35	130.6	192.7
Inventories	19	1.7	1.2
Trade and other receivables	20	26.5	10.5
Current tax assets		0.4	0.3
		159.2	204.7
Total assets		1,048.4	766.2
Current liabilities			
Trade and other payables	21	(112.1)	(99.4)
Current tax liabilities		(22.0)	(6.0)
Deferred revenues	22	(3.8)	(3.7)
Provisions for liabilities	23	(13.6)	(0.3)
Borrowings		(0.4)	—
		(151.9)	(109.4)
Net current assets		7.3	95.3
Non-current liabilities			
Deferred tax liabilities	18	(25.9)	(19.9)
Deferred revenues	22	(0.9)	(1.1)
Provisions for liabilities	23	(43.1)	(9.3)
Borrowings		(0.6)	—
Other long-term liabilities	24	(0.3)	(0.6)
		(70.8)	(30.9)
Total liabilities		(222.7)	(140.3)
Net assets		825.7	625.9
Equity			
Share capital	25	6.8	6.8
Share premium account	26	562.2	555.5
Translation reserve	27	94.7	(11.0)
Other reserves	28	(6.4)	(6.4)
Retained earnings	29	160.7	80.6
Equity attributable to owners of the Company		818.0	625.5
Non-controlling interests	30	7.7	0.4
Total equity		825.7	625.9

The consolidated financial statements on pages 85 to 134 were authorised for issue by the Board of Directors and signed on its behalf by:


David Buttress
 Chief Executive Officer


Paul Harrison
 Chief Financial Officer

Just Eat plc
 6 March 2017

Company registration number
 06947854 (England and Wales)

Consolidated statement of changes in equity

Year ended 31 December 2016

	Notes	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non- controlling interest £m	Total equity £m
1 January 2015		5.7	120.5	0.4	(6.7)	63.1	183.0	0.8	183.8
Profit/(loss) for the year		—	—	—	—	23.1	23.1	(0.1)	23.0
Other comprehensive income		—	—	(11.4)	—	—	(11.4)	—	(11.4)
Total comprehensive (loss)/income for the year		—	—	(11.4)	—	23.1	11.7	(0.1)	11.6
Tax on share options	11	—	—	—	—	2.8	2.8	—	2.8
Issue of capital (net of costs)	25, 26	1.1	434.5	—	—	—	435.6	—	435.6
Exercise of share options	26	—	0.5	—	—	—	0.5	—	0.5
Share based payment charge	4, 34	—	—	—	—	2.6	2.6	—	2.6
Treasury shares	28	—	—	—	(0.1)	—	(0.1)	—	(0.1)
Exercise of JSOP awards	28	—	—	—	0.4	—	0.4	—	0.4
Acquisition of minority interest in Eat.ch	30	—	—	—	—	(11.0)	(11.0)	(0.3)	(11.3)
31 December 2015		6.8	555.5	(11.0)	(6.4)	80.6	625.5	0.4	625.9
Profit/(loss) for the year		—	—	—	—	71.7	71.7	(0.3)	71.4
Other comprehensive income		—	—	105.7	—	—	105.7	(0.2)	105.5
Total comprehensive income/(loss) for the year		—	—	105.7	—	71.7	177.4	(0.5)	176.9
Tax on share options	11	—	—	—	—	0.8	0.8	—	0.8
Issue of capital (net of costs)	25, 26	—	6.2	—	—	—	6.2	—	6.2
Exercise of share options	26	—	0.5	—	—	—	0.5	—	0.5
Share based payment charge	4, 34	—	—	—	—	2.8	2.8	—	2.8
Treasury shares	28	—	—	—	(0.5)	—	(0.5)	—	(0.5)
Exercise of JSOP awards	28	—	—	—	0.5	—	0.5	—	0.5
Partial disposal of Mexican business	30	—	—	—	—	4.8	4.8	7.3	12.1
Adjustment to Mexican NCI	30	—	—	—	—	—	—	0.5	0.5
31 December 2016		6.8	562.2	94.7	(6.4)	160.7	818.0	7.7	825.7

Consolidated cash flow statement

Year ended 31 December 2016

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Net cash inflow from operating activities	33	97.0	74.2
Investing activities			
Interest received	10	0.6	0.4
Cash outflow on acquisition of businesses	31	(154.7)	(448.4)
Hungryhouse acquisition deposit	31	(6.0)	—
Cash inflow on disposal of Benelux businesses	31	14.6	—
Cash inflow on disposal of hellofood Brazil	31	2.1	—
Cash inflow on sale of minority stake in Mexican business	30	9.3	—
Funding provided by minority interests		0.5	—
Cash outflow on acquisition of interests in associates	16	(7.2)	(3.4)
Cash inflow on disposal of investment in associates	16	—	3.1
Funding provided to associates	36	(2.1)	(2.5)
Purchases of investments	17	(3.5)	—
Purchases of property, plant and equipment	15	(9.5)	(5.8)
Purchases of intangible assets		(11.7)	(4.8)
Cash outflow on financial instruments	35	—	(3.9)
Other cash outflows		0.1	(0.2)
Net cash used in investing activities		(167.5)	(465.5)
Financing activities			
Net proceeds from placing and open offer	25	—	435.6
Proceeds arising on exercise of options and awards		2.4	0.5
Proceeds from sale of shares by the employee benefit trust		—	0.6
Cash outflow of the acquisition of minority interest	30	(0.1)	(11.3)
Movement on borrowings		—	(0.3)
Net cash from financing activities		2.3	425.1
Net (decrease)/increase in cash and cash equivalents		(68.2)	33.8
Net cash and cash equivalents at beginning of year		192.7	164.1
Effect of changes in foreign exchange rates		6.1	(5.2)
Net cash and cash equivalents at end of year		130.6	192.7

Notes to the consolidated financial statements

Year ended 31 December 2016

1. General information

Just Eat plc (the "Company") and its subsidiaries (the "Group") operate a leading digital marketplace for takeaway food delivery. Further details about the Group's operations and principal activities are disclosed within the Strategic Report on pages 4 to 39. The Company is a public limited company listed on the premium listing segment of the Official List of the Financial Conduct Authority and is incorporated and domiciled in the United Kingdom. Its registered address is Masters House, 107 Hammersmith Road, London W14 0QH.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee interpretations as endorsed by the European Union ("EU"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, provisions for social security costs on the exercise of options by employees and financial assets at fair value through profit or loss, which have been measured at fair value. The principal accounting policies adopted by the Group are set out in Note 39. These policies have been consistently applied to all years presented.

Going concern

For reasons noted on page 21, the financial information has been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of signing these financial statements. At the date of approving the financial statements, the Directors are not aware of any circumstances that could lead to the Group being unable to settle commitments as they fall due during the 12 months from the date of signing these financial statements.

At 31 December 2016, the Group had net current assets of £7.3 million and cash net of borrowings of £129.6 million. For the year ended 31 December 2016, it generated cash inflows from operating activities of £97.0 million. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 39. Note 35 describes the Group's objectives, policies and processes for managing its exposure to credit risk, liquidity risk and interest rate risk.

New and amended standards adopted by the Group

No new standards, amendments or interpretations to standards effective for the first time for the financial year beginning on 1 January 2016 have had a material impact on the Group's financial position or performance nor the disclosures in these financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 year end and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations on its results, financial position and cash flows is set out below:

- **IFRS 9 *Financial Instruments*:** This standard is effective for accounting periods commencing on or after 1 January 2018, with early adoption permitted. At this stage, the Group does not intend to adopt the standard before its effective date.

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The adoption of IFRS 9 is not expected to have a material impact on the Group's results, financial position or cash flows.

- **IFRS 15 *Revenue from Contracts with Customers*:** this standard is effective for accounting periods commencing on or after 1 January 2018, with early adoption permitted. Whilst this standard may impact on the timing of the recognition of certain of the Group's non-order driven revenue streams, the impact is not expected to be material.

At this stage, the Group does not intend to adopt the standard before its effective date.

- **IFRS 16 *Leases*:** This standard is effective for accounting periods commencing on or after 1 January 2019, with early adoption permitted, subject to EU endorsement. At this stage, the Group does not intend to adopt the standard before its effective date.

2. Basis of preparation continued

New standards and interpretations not yet adopted continued

This standard will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group's property leases. As at the reporting date, the Group had non-cancellable property operating lease commitments of £35.3 million (see Note 32). The Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's financial position and reported results.

The anticipated financial impact of these three new accounting standards has not yet been fully assessed by the Group. Further information regarding their impact will be disclosed in the 2017 Annual Report.

3. Operating segments

The Group has four reportable segments: United Kingdom, Australia & New Zealand, Established Markets and Developing Markets. Established Markets includes the operations in Benelux (sold August 2016), Canada, Denmark, France, Ireland, Norway and Switzerland. Developing Markets includes Italy, Mexico and Spain.

Each segment includes businesses with similar operating characteristics and at a similar stage of development. Underlying EBITDA is the main measure of profit used by the Chief Operating Decision Maker ("CODM") to assess and manage performance. The CODM is David Buttress, the Group's Chief Executive Officer. Underlying EBITDA is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA"); and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses. At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements but incorporates an allocation of Group technology and central costs (all of which net out on a consolidated level).

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Segment revenues		
United Kingdom	238.3	171.2
Less inter-segment sales	(1.2)	(1.6)
United Kingdom	237.1	169.6
Australia & New Zealand	36.8	12.4
Established Markets	75.5	55.8
Developing Markets	26.2	9.5
Total segment revenues	375.6	247.3
Head Office	2.8	0.3
Less Head Office inter-segment sales	(2.7)	—
Total revenues	375.7	247.6

The Group's revenues were generated as follows:

	Year ended 31 December 2016		Year ended 31 December 2015	
Revenues	£m	%	£m	%
Commission revenues	305.2	81	193.4	78
Payment card and administration fees	48.5	13	32.4	13
Order driven revenues	353.7	94	225.8	91
Top-placement fees	19.7	5	11.2	5
Connection fees and other revenues	2.3	1	10.6	4
Total revenues	375.7		247.6	

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

3. Operating segments *continued*

Order driven revenues by segment were as follows: United Kingdom £224.9 million (2015: £158.3 million); Australia & New Zealand £35.1 million (2015: £11.7 million); Established Markets £68.3 million (2015: £46.5 million); and Developing Markets £25.4 million (2015: £9.3 million).

Segment Underlying EBITDA and result	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
United Kingdom		121.8	77.6
Australia & New Zealand		7.6	1.0
Established Markets		13.3	6.4
Developing Markets		(13.7)	(13.9)
Total segment Underlying EBITDA		129.0	71.1
Share of results of equity accounted associates (excluding depreciation and amortisation)		0.5	(1.9)
Head Office costs		(14.2)	(9.5)
Underlying EBITDA		115.3	59.7
Long-term employee incentive costs	4	(3.1)	(2.9)
Exceptional items	5	(14.6)	(6.6)
Net foreign exchange (losses)/gains		(0.2)	0.1
EBITDA		97.4	50.3
Depreciation – Subsidiaries	15	(6.2)	(4.2)
Amortisation – Acquired intangible assets	14	(15.5)	(8.6)
Amortisation – Other intangible assets	14	(2.6)	(1.7)
Depreciation and amortisation – Associates ¹		(0.6)	(0.3)
Operating profit		72.5	35.5
Gain on disposal of Benelux businesses	9	18.7	—
Net other gains/(losses)	9	0.1	(0.7)
Finance income	10	0.6	0.4
Finance costs	10	(0.6)	(0.6)
Profit before tax		91.3	34.6

1. Includes £0.3 million (2015: £0.3 million) of amortisation in respect of acquired intangible assets.

Segment assets and liabilities	Notes	Assets as at 31 December		Liabilities as at 31 December	
		2016 £m	2015 £m	2016 £m	2015 £m
United Kingdom		233.9	146.1	(71.0)	(59.8)
Australia & New Zealand		545.9	453.0	(27.7)	(23.6)
Established Markets		218.4	84.9	(40.6)	(35.0)
Developing Markets		171.0	71.8	(37.1)	(41.1)
Total segment assets/(liabilities)		1,169.2	755.8	(176.4)	(159.5)
Head Office		3,036.4	2,584.3	(1,360.8)	(978.7)
Associates	16	29.7	16.6	—	—
		4,235.3	3,356.7	(1,537.2)	(1,138.2)
<i>Consolidation adjustments:</i>					
Elimination of intercompany debtors and creditors		(1,314.5)	(1,008.8)	1,314.5	1,008.8
Elimination of investments		(1,872.4)	(1,573.2)	—	—
Other consolidation adjustments		—	(8.5)	—	(10.9)
Total		1,048.4	766.2	(222.7)	(140.3)

3. Operating segments *continued*

Segment net book value of non-current assets	Note	As at 31 December 2016 £m	As at 31 December 2015 £m
United Kingdom		12.4	10.2
Australia & New Zealand		512.6	441.0
Established Markets		176.1	56.2
Developing Markets		128.0	24.4
		829.1	531.8
Head Office		30.4	13.1
Associates	16	29.7	16.6
Total		889.2	561.5

Property, plant and equipment; and intangible assets	Additions Year ended 31 December		Depreciation and amortisation Year ended 31 December	
	2016 £m	2015 £m	2016 £m	2015 £m
United Kingdom	2.9	3.3	3.5	3.7
Australia & New Zealand	1.3	452.4	10.2	5.0
Established Markets	113.6	8.0	4.6	2.6
Developing Markets	98.2	23.0	3.2	1.1
	216.0	486.7	21.5	12.4
Associates	—	—	0.6	0.3
Head Office	12.3	6.6	2.8	2.1
Total	228.3	493.3	24.9	14.8

Additions include goodwill and other intangible assets acquired as part of business combinations, as well as purchases of tangible and intangible fixed assets.

4. Long-term employee incentive costs

The total expense recorded in relation to the long-term employee incentives was £3.1 million (2015: £2.9 million). This charge was comprised of £2.8 million (2015: £2.6 million) in respect of share based payments and £0.3 million (2015: £0.3 million) in respect of provisions for employer's social security costs on the exercise of options (see Note 34).

5. Exceptional items

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
M&A transaction costs	9.5	6.6
Acquisition integration costs	5.1	—
Total exceptional items	14.6	6.6

M&A transaction costs relate to legal, due diligence and other costs incurred as a result of the Group's acquisitions (see Note 31) and aborted acquisitions. For the year ended 31 December 2016, they include £5.0 million (2015: £nil) of costs in respect of the acquisition of hungryhouse which are contingent upon the successful completion of the acquisition. They are therefore included within provisions as at 31 December 2016 (see Note 23).

The acquisition integration costs relate to the integration into the Group of Menulog and the four businesses acquired during the first half of 2016 (La Nevera Roja, PizzaBo/hellofood in Italy, hellofood Mexico, hellofood Brazil). They include the non-recurring costs of running two offices and platforms during employee consultation processes, redundancy costs, lease termination costs and related advisers' fees. In addition, they include the cost of recruiting the new Menulog senior management team and advisers' costs in respect of litigation and other matters that pre-dated the Group's acquisition of Menulog in June 2015.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

6. Operating profit

Profit for the year has been arrived at after charging/(crediting):

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Total staff costs	7	88.4	67.5
Exceptional items	5	14.6	6.6
Net foreign exchange losses/(gains)		0.2	(0.1)
Loss on sale of property, plant and equipment		0.5	0.1
Operating lease charges	32	4.2	3.1
Depreciation of property, plant and equipment	15	6.2	4.2
Amortisation of intangible assets – Acquired intangible assets	14	15.5	8.6
Amortisation of intangible assets – Other intangible assets	14	2.6	1.7
Research and development		12.5	5.4

With the exception of exceptional items all of the above items are included within other administrative expenses in the income statement. Research and development costs are predominantly staff costs, which are included in the staff costs figures.

7. Staff costs

The average number of full-time equivalent members of staff analysed by function was:

	Year ended 31 December 2016	Year ended 31 December 2015
Operations	707	650
Technology and product	286	191
Sales	247	286
Marketing	106	109
Management and administration	275	207
Average number of full-time equivalent members of staff	1,621	1,443

Staff remuneration, including that in respect of the Directors, comprised:

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Wages and salaries		74.4	56.1
Social security costs		8.7	7.2
Pension costs		2.2	1.3
Long-term employee incentive costs	4, 34	3.1	2.9
Total staff remuneration		88.4	67.5

Details of the Directors' remuneration are included in the Report of the Remuneration Committee on pages 60 to 77.

8. Auditor's remuneration

During the year, the Group obtained the following services from its auditor:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Fees payable to Deloitte LLP for the audit of the Company's financial statements	381	294
Fees payable to Deloitte LLP and its associates for the audit of the Company's subsidiaries	178	148
Total Deloitte LLP audit fees	559	442
<i>Non-audit services provided by Deloitte LLP and its associates:</i>		
Audit-related assurance services	62	129
Taxation compliance services	55	40
Taxation advisory services	102	93
Corporate finance services	—	155
Total Deloitte LLP non-audit fees	219	417
Total Deloitte LLP fees	778	859
Fees payable to other auditors for the audit of the Company's subsidiaries	42	41

Details of the Group's policy on the use of the auditor for non-audit services and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee Report on page 55. No services were provided pursuant to contingent fee arrangements. In the prior year, the corporate finance services provided were in respect of the Group's acquisition of the Menulog Group.

9. Other gains and losses

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Gain on disposal of Benelux businesses	31	18.7	—
Movement in minority shareholders' buy-out provision		—	(0.2)
Gain on disposal of Achindra Online Marketing Private Limited	16	—	3.0
Losses on financial instruments	35	—	(3.9)
Fair value gain/(loss) on other investments	17	0.5	(0.1)
Other (losses)/gains		(0.4)	0.5
Net other gains/(losses)		0.1	(0.7)

On 2 August 2016, the Group disposed of its Benelux operations (The Netherlands and Belgium) to Takeaway.com, which resulted in a gain on disposal of £18.7 million (see Note 31).

In January 2015, the Group recognised a gain of £3.0 million on the sale of its entire shareholding in Achindra Online Marketing Private Limited, the Group's Indian associated undertaking.

During the year ended 31 December 2015, a net loss of £3.9 million was recognised on two derivatives taken out to hedge the sterling amount of the Menulog Group acquisition consideration, which was payable in Australian dollars. The net loss comprised a £4.6 million loss on one hedge and a £0.7 million gain on another hedge.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

10. Finance income and finance costs

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Interest received on bank deposits	0.6	0.4
Total finance income	0.6	0.4
Bank interest and charges	0.6	0.6
Total finance costs	0.6	0.6

11. Taxation

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Current taxation			
Current year		29.0	15.8
Adjustment for prior years		0.1	0.1
		29.1	15.9
Deferred taxation			
Temporary timing differences	18	(8.6)	(4.4)
Adjustment for prior years	18	(0.7)	0.1
Effect of tax rate change	18	0.1	—
		(9.2)	(4.3)
Total tax charge for the year		19.9	11.6

UK corporation tax was calculated at 20 per cent (2015: 20.25 per cent) of the taxable profit for the year. As announced in the March 2014 Budget, the standard rate of corporation tax in the UK changed from 21 per cent to 20 per cent with effect from 1 April 2015.

As announced in the Summer 2015 Budget, the government announced a reduction in the standard rate of corporation tax in the UK from 20 per cent to 19 per cent, effective from 1 April 2017. The Finance Bill 2016 subsequently reduced the main rate of corporation tax to 17 per cent, effective from 1 April 2020.

Taxation for other jurisdictions was calculated at the rates prevailing in the respective jurisdictions.

Taxation on items taken directly to other comprehensive income was a debit of £0.5 million (2015: £1.2 million credit) and relates to fair value losses on cash flow hedges which have been reclassified to goodwill.

Taxation on items taken directly to equity in respect of share options was a net credit of £0.8 million (2015: £2.8 million credit), comprised of a £1.2 million credit relating to current tax and a £0.4 million debit relating to deferred tax.

More information on the calculation of deferred tax is provided in Note 18.

11. Taxation continued

The total tax charge for the year can be reconciled to the profit per the income statement as follows:

	Year ended 31 December 2016			Year ended 31 December 2015		
	Before adjusting Items £m	Adjusting Items £m	Total £m	Before adjusting Items £m	Adjusting Items £m	Total £m
Profit before tax	106.2	(14.9)	91.3	53.6	(19.0)	34.6
Tax at the UK corporation tax rate of 20% (2015: 20.25%)	21.2	(2.9)	18.3	10.9	(3.9)	7.0
Non-deductible expenditure	1.0	2.0	3.0	1.2	2.3	3.5
Non-taxable income	(5.3)	—	(5.3)	(2.6)	0.1	(2.5)
Share based payments	—	0.1	0.1	—	0.2	0.2
Profit on the deemed disposals of businesses	—	(3.8)	(3.8)	—	(0.6)	(0.6)
Adjustments in respect of prior periods	(0.7)	0.1	(0.6)	0.2	—	0.2
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1.1)	(1.4)	(2.5)	(0.6)	(0.4)	(1.0)
Other overseas taxes	8.2	—	8.2	3.5	0.6	4.1
Change in unrecognised deferred tax asset	1.5	0.9	2.4	0.7	—	0.7
Reduction in UK tax rate	0.1	—	0.1	—	—	—
Total tax charge for the year	24.9	(5.0)	19.9	13.3	(1.7)	11.6
Effective tax rate	23.4%		21.8%	24.8%		33.5%

The effective tax rate on underlying profits ("Underlying ETR") was 23.4 per cent (2015: 24.8 per cent). Underlying profit is defined as profit before tax before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses and amortisation in respect of acquired intangible assets.

The total tax charge of £19.9 million (2015: £11.6 million) is made up of: a current tax charge of £29.1 million (2015: £15.9 million), primarily consisting of corporate tax arising in the UK, Denmark, France and Switzerland; and a deferred tax credit of £9.2 million (2015: £4.3 million) resulting from the recognition of a deferred tax asset on losses arising in Australia and the unwind of deferred tax liabilities arising on acquired intangibles.

As a result of the geographical spread of the Group's operations and the varied, increasingly complex nature of local and global tax law, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The provision held in relation to uncertain tax items totalled £9.8 million as at 31 December 2016.

We expect our Underlying ETR to trend towards the UK prevailing corporation tax rate. However, the Group's future tax charge and actual underlying ETR will be driven by a number of factors including: the timing of the recognition of tax losses; changes in the mix of our business profits; local or international tax reform (for example any arising from the implementation of the OECD's BEPS actions and EU state aid investigations); new challenges by the tax authorities or the resolution of ongoing points raised by tax authorities; and the impact of any acquisitions, disposals or restructurings.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

11. Taxation *continued*

Deferred tax assets arising from temporary differences have not been recognised in tax jurisdictions where there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised as at 31 December 2016 was £18.0 million (2015: £6.3 million). The asset would be recognised if sufficient suitable taxable profits were made in the future and the recovery of the asset became probable.

	As at 31 December 2016 £m	As at 31 December 2015 £m
Deferred tax assets not recognised		
Accelerated capital allowances	1.2	0.9
Short-term timing differences	0.2	—
Unrelieved tax losses ¹	15.6	4.2
Share based payments	—	0.5
Unrelieved tax losses in joint venture and associates	1.0	0.7
Total	18.0	6.3

1. The majority of the Group's tax losses for which no deferred tax has been recognised do not expire. A total of £7.6 million of gross losses (unrecognised deferred tax asset of £2.3 million) expire in five to ten years' time and a £4.2 million of gross losses (unrecognised deferred tax asset of £1.1 million) expire in 15 to 20 years' time.

12. Earnings per share

Basic earnings per share was calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year, excluding unvested shares held pursuant to the Group's JSOP and SIP.

Diluted earnings per share was calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. The Group had potentially dilutive shares in the form of share options and unvested shares held pursuant to the Group's JSOP and SIP.

Adjusted earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to the holders of Ordinary Shares in the Parent, which is defined as profit attributable to the holders of Ordinary Shares in the Parent, before long-term employee incentive costs; exceptional items; other gains and losses; foreign exchange gains and losses; amortisation of acquired intangible assets; and the tax impact of the adjusting items.

Basic and diluted earnings per share have been calculated as follows:

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Profit attributable to the holders of Ordinary Shares in the Parent		71.7	23.1
Long-term employee incentive costs	4, 34	3.1	2.9
Exceptional items	5	14.6	6.6
Net other (gains)/losses	9	(18.8)	0.7
Net foreign exchange losses/(gains)		0.2	(0.1)
Amortisation in respect of acquired intangible assets (including associates)		15.8	8.9
Tax impact of the adjusting items	11	(5.0)	(1.7)
Adjusted profit attributable to the holders of Ordinary Shares in the Parent		81.6	40.4

	Number of shares ('000)	Year ended 31 December 2016	Year ended 31 December 2015
	Note		
Weighted average number of Ordinary Shares for basic earnings per share		669,462	616,111
Effect of dilution:			
– Share options and awards		6,420	6,329
– Unvested JSOP shares		3,547	9,243
– Shares held in escrow	31	48	—
Weighted average number of Ordinary Shares adjusted for the effect of dilution		679,477	631,683

12. Earnings per share *continued*

	Year ended 31 December 2016 Pence	Year ended 31 December 2015 Pence
Earnings per Ordinary Share		
Basic	10.7	3.8
Diluted	10.5	3.7
Adjusted earnings per Ordinary Share		
Basic	12.2	6.6
Diluted	12.0	6.4

13. Goodwill

	2016 £m	2015 £m
At 1 January	457.1	51.2
Recognised on acquisition of subsidiaries	181.2	415.3
Foreign exchange movements	86.9	(9.4)
At 31 December	725.2	457.1

Accumulated impairment losses as at 31 December 2016 were £nil. As at 31 December 2015, accumulated impairment losses were £5.3 million and related to the Group's Dutch subsidiary, which was sold during 2016 (see Note 31).

Goodwill has arisen on the acquisition of businesses and is attributable to the future growth of the acquired businesses, through expansion of their networks of Restaurant Partners and the number of orders per restaurant; anticipated future operating synergies; and the ability to leverage the Group's existing intellectual property in new markets around the world. In addition, the goodwill balances represented the value of the businesses' active consumer bases and assembled workforce, which do not meet the recognition criteria of an intangible asset.

Goodwill acquired in a business combination is allocated on acquisition to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

CGU	Acquisitions (including subsidiaries)	Goodwill allocated by CGU as at 31 December	
		2016 £m	2015 £m
Australia & New Zealand ("ANZ")	Menulog Group Limited	456.0	384.9
SkipTheDishes ("Skip")	SkipTheDishes Restaurant Services Inc.	92.5	—
Spain ("ES")	SinDelantal Internet, S.L., La Nevera Roja	56.0	2.4
Italy ("IT")	Click Eat, Jeb Srl, Clicca e Mangia, PizzaBo/hellofood Italy	40.8	4.5
France ("FR")	FBA Invest SaS	42.3	36.5
Mexico ("MX")	SinDelantal Mexico SA de CV, hellofood Mexico	20.3	13.4
Other CGUs		17.3	15.4
Total goodwill		725.2	457.1

The Group tests goodwill annually for impairment or more frequently if there are indications of impairment.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions used in the value-in-use calculations are the discount rate and the anticipated future cash flows (which is a function of increases in the number of orders generated and increases in costs, together with other factors). Management uses pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the particular CGU. The assumptions on growth in orders, revenues, costs and future cash flows are based on past experience, recent results and management's future expectations.

The main drivers for future order growth are the continued investment in marketing, which helps drive brand awareness and drive consumer traffic to the Group's platforms, and the investment in technology which ensures the platforms are stable, secure, efficient and scalable. This investment ensures that both the relevant overall market as well as the CGU's market share increases over the medium to long term.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

13. Goodwill *continued*

The Group prepares cash flow forecasts based on the most recent financial budgets approved by the Board. Management expects that some markets will enjoy a period of sustained high growth continuing from the end of the current budgetary cycle to maturity (the medium term). A suitable medium-term growth rate, based on previous experience of growth rates (including historical growth rates of all CGUs), has been applied individually to reflect each CGU's activity in this period. After this, a long-term growth rate is applied. Management typically forecasts for periods up to five years, but there are some CGUs that are forecasted for longer periods. These CGUs are located in immature markets which are currently lacking penetration, and where future investment in the business is expected to result in its long-term growth being achieved outside of five years. For these CGUs, the Directors believe it is appropriate to use forecasts extending beyond five years as they correlate with our experience in similar markets.

	ANZ	Skip	ES	IT	FR	MX	Other ¹
Value-in-use assumptions							
Pre-tax discount rate	11.8%	11.3%	15.0%	16.1%	12.5%	15.4%	9.3–11.8%
Terminal growth rate	2.7%	2.2%	1.9%	1.5%	1.9%	3.6%	1.7–2.4%
Number of years forecasted before terminal growth rate applied	5	6	5	6	5	8	5–6

1. Of the other CGUs only the Canadian CGU had a forecast period over five years. It had a forecast period of six years.

For all CGUs, the value-in-use exceeds of the carrying value of the CGU. As a result, no impairments were required either in the current or prior year.

Sensitivity analysis

The Group has conducted a sensitivity analysis on the impairment test for each CGU. This included reducing the anticipated future cash flows and increasing the discount rates. With the exception of the Australian & New Zealand and Mexican CGUs, no reasonably expected change in the key assumptions used in the value-in-use calculations would give rise to an impairment charge.

	ANZ	Skip	ES	IT	FR	MX	Other
Sensitivity assumptions							
Sensitised discount rate applied	13.8%	13.3%	17.5%	18.1%	14.5%	17.4%	11.3–13.8%
Sensitised cash flows ¹	36.2%	32.4%	47.1%	38.3%	43.2%	61.7%	22.3–55.7%

1. When sensitising each CGU's cash flows, a "downside" cash flow forecast is prepared (by reducing the cash flows in each year of the forecast) rather than reducing the cash flows by a set percentage. The above disclosure shows the decline of the forecasted cash flows in the final year of the forecast, before long-term growth rates are applied.

The sensitised discount rate (of 13.8 per cent) applied to the ANZ CGU would result in an impairment of £17.4 million. In order for no impairment to occur, the sensitised discount rate would need to be 13.3 per cent, or lower. The sensitised discount rate applied to the MX CGU does not result in an impairment.

The sensitised cash flows applied in ANZ and MX would result in impairments of £109.5 million and £17.0 million, respectively. In order for no impairment to occur, the sensitised cash flows would need to be 30.8 per cent and 54.1 per cent, respectively, lower than the base case cash flow (in year five for ANZ and year eight for MX), or less.

14. Other intangible assets

	Notes	Patents, licences and IP £m	Restaurant contracts £m	Brands £m	Development costs £m	Total £m
Cost						
At 1 January 2015		5.9	7.7	4.7	—	18.3
Recognised on acquisition of subsidiaries		3.4	47.6	14.9	—	65.9
Additions		3.3	—	—	2.7	6.0
Foreign exchange movements		(0.3)	(1.3)	(0.5)	—	(2.1)
At 31 December 2015		12.3	54.0	19.1	2.7	88.1
Recognised on acquisition of subsidiaries	31	3.9	14.5	7.9	—	26.3
Additions		0.6	—	—	10.5	11.1
On disposal of subsidiary		—	(1.6)	—	—	(1.6)
Foreign exchange movements		0.9	10.2	3.1	—	14.2
At 31 December 2016		17.7	77.1	30.1	13.2	138.1
Amortisation						
At 1 January 2015		1.9	2.9	0.8	—	5.6
Charge for the year		3.7	5.2	1.3	0.1	10.3
Foreign exchange movements		(0.2)	(0.1)	(0.1)	—	(0.4)
At 31 December 2015		5.4	8.0	2.0	0.1	15.5
Charge for the year		3.7	10.4	2.9	1.1	18.1
On disposal of subsidiary		—	(1.6)	—	—	(1.6)
Foreign exchange movements		0.3	1.9	0.5	—	2.7
At 31 December 2016		9.4	18.7	5.4	1.2	34.7
Carrying amount						
At 31 December 2016		8.3	58.4	24.7	12.0	103.4
At 31 December 2015		6.9	46.0	17.1	2.6	72.6

All intangible assets have finite lives. The cash outflow in respect of additions of intangible assets was £11.7 million (2015: £4.8 million). Of the amortisation charge for the year ended 31 December 2016, £15.5 million (2015: £8.6 million) related to acquired intangible assets and £2.6 million (2015: £1.7 million) related to other intangible assets.

Patents, licences and IP

Business combinations generally include patents and intellectual property which predominantly relates to acquired operating platforms such as websites and apps. Software licences are also included in this category.

The amortisation period for patents, licences and IP is between three and five years. The average remaining amortisation period is 0.9 years.

Restaurant contracts

Restaurant contracts are generally the primary revenue-generating assets of a business combination. They are the acquired contractual agreements between the business and the restaurants. The amortisation period for restaurant contracts is between three and ten years. The average remaining amortisation period is 2.6 years.

As at 31 December 2016 the restaurant contracts carrying amount of £58.4 million (2015: £46.0 million) included £40.7 million (2015: £40.7 million) in respect of the restaurant contracts acquired as part of the June 2015 acquisition of Menulog and £17.5 million in respect of the restaurant contracts acquired as part of the December 2016 acquisition of SkipTheDishes. The remaining amortisation periods for these assets were 5.5 years and 7.0 years, respectively.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

14. Other intangible assets *continued*

Brands

Brand names are primarily business to consumer brands that are acquired as part of a business combination. The amortisation period for brands are between three and ten years. The average remaining amortisation period is 2.8 years.

As at 31 December 2016 the brands carrying amount of £24.7 million (2015: £17.1 million) included £12.9 million (2015: £12.2 million) in respect of the brands acquired as part of the June 2015 acquisition of Menulog and £6.1 million in respect of the brand acquired as part of the December 2016 acquisition of SkipTheDishes. The remaining amortisation periods of these assets were 8.5 years and 5.0 years, respectively.

Development costs

The costs incurred by the Group in the development of websites and apps are classified in this category. Work in progress of £6.5 million is included in development costs (2015: £0.7 million). Work in progress is not amortised until the asset is available for use.

The amortisation period for development is three years. The average remaining amortisation period, excluding work in progress is 2.5 years.

15. Property, plant and equipment

	Notes	Fixtures and fittings £m	Equipment £m	Leasehold improvements £m	Total £m
Cost					
At 1 January 2015		3.9	9.2	2.1	15.2
Additions		1.1	4.0	0.7	5.8
Acquisition of subsidiaries		—	0.3	—	0.3
Foreign exchange movements		(0.1)	(0.3)	—	(0.4)
Disposals		(0.2)	(1.2)	—	(1.4)
At 31 December 2015		4.7	12.0	2.8	19.5
Additions		1.3	7.2	1.0	9.5
Acquisition of subsidiaries	31	—	0.2	—	0.2
Foreign exchange movements		0.2	1.5	0.1	1.8
Disposals		(0.1)	(5.7)	—	(5.8)
At 31 December 2016		6.1	15.2	3.9	25.2
Accumulated depreciation					
At 1 January 2015		1.9	5.3	0.8	8.0
Charge for the year		1.1	2.5	0.6	4.2
Disposals		(0.2)	(1.1)	—	(1.3)
At 31 December 2015		2.8	6.7	1.4	10.9
Foreign exchange movements		0.1	0.6	—	0.7
Charge for the year		1.5	4.1	0.6	6.2
Disposals		(0.3)	(4.7)	—	(5.0)
At 31 December 2016		4.1	6.7	2.0	12.8
Carrying amount					
At 31 December 2016		2.0	8.5	1.9	12.4
At 31 December 2015		1.9	5.3	1.4	8.6

All tangible assets have finite lives. The useful economic life of all asset categories is three years. The exception to this is leasehold improvement assets, which are depreciated over the life of the lease or a shorter term if deemed appropriate.

At 31 December 2016, the Group had entered into contractual commitments for the acquisition of property, plant and equipment totalling £nil (2015: £0.4 million).

16. Investments in associates

Carrying value of associates under equity accounting method:

	2016 £m	2015 £m
At 1 January	16.6	13.2
Investment in IF-JE Holdings B.V.	3.4	—
Increase in investment in IF-JE Participações Ltda	2.1	9.1
Share of results of associates IF-JE Holdings B.V.	(0.1)	—
Share of results of associates IF-JE Participações Ltda	—	(2.2)
Foreign exchange movements	7.7	(3.5)
At 31 December	29.7	16.6

IF-JE Holdings B.V. ("IF-JE NL")

On 20 July 2016, the Company's subsidiary Just Eat Holding Limited acquired a 33 per cent stake in IF-JE Holdings BV ("IF-JE NL") for a total consideration of £3.4 million. This associate is 67 per cent owned by Mobile Mobile Commerce Holdings S.L. On 2 August 2016, the Group sold a 49 per cent stake in its enlarged Mexican business to IF-JE NL (see Note 30).

Cash outflow on acquisition of interests in associates

During the year ended 31 December 2016 the cash outflow on acquisition of interests in associates was £7.2 million. This was comprised of £3.8 million (2015: £3.4 million) of deferred consideration in respect of the 2015 acquisition of an additional 5 per cent stake in IF-JE Participações Ltda ("IF-JE") and £3.4 million in respect of the amount invested in IF-JE NL (see above).

Achindra Online Marketing Private Limited ("justeat.in")

In January 2015, the Group sold its shares in Achindra Online Marketing Private Limited to foodpanda for a gain on disposal of £3.0 million (see Note 9) and net cash proceeds of £3.1 million.

IF-JE

The only material associate held by the Group is IF-JE, in which it has a 30 per cent stake, for which summarised consolidated financial information is set out below:

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Revenues	28.8	8.9
Underlying EBITDA	1.9	(6.3)
Profit/(loss) after tax	0.1	(7.3)
Group's share of the loss after tax	—	(2.2)
Group's share of total comprehensive income	—	(2.2)

The profit after tax and total comprehensive income were entirely derived from continuing activities.

	As at 31 December 2016 £m	As at 31 December 2015 £m
Non-current assets	34.3	8.9
Current assets	18.5	4.0
Non-current liabilities	(5.3)	(0.4)
Current liabilities	(17.3)	(5.4)
Net assets and total equity	30.2	7.1
The Group's share of interest in associated undertaking's net assets	9.2	2.1
Carrying value of interest in associated undertaking	26.4	16.6

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

17. Other investments

	2016 £m	2015 £m
At 1 January	0.1	—
Investment in Flypay	3.5	—
Other investments	—	0.2
Fair value measurement through profit or loss	0.5	(0.1)
At 31 December	4.1	0.1

Other investments are available-for-sale financial assets which are measured at fair value using level 3 measurements (being valuation techniques that include inputs that are not based on observable data). Gains and losses arising from changes in fair value are included in the income statement.

On 28 September 2016, the Group acquired an 8 per cent shareholding in Flypay Limited ("Flypay") for £3.5 million. The level 3 measurement techniques and inputs applied in fair valuing Flypay included a comparison to valuations used by other comparable companies that have recently raised capital.

18. Deferred taxation

Deferred taxation is provided for as follows:

	Losses (assets) £m	Share based payment (assets) £m	Short-term temporary differences (assets) £m	Short-term temporary differences (liabilities) £m	Acquired intangibles (assets) £m	Acquired intangibles (liabilities) £m	Total £m
At 1 January 2015	0.5	1.3	0.7	—	—	(2.9)	(0.4)
Credit/(debit) to the income statement	2.0	0.2	—	(0.2)	0.1	2.3	4.4
Credit to equity	—	0.9	—	—	—	—	0.9
Prior year adjustment	—	—	(0.1)	—	—	—	(0.1)
Foreign exchange movements	(0.1)	—	—	—	—	0.5	0.4
Amounts arising on acquisition of subsidiaries	1.0	—	—	—	—	(19.6)	(18.6)
At 31 December 2015	3.4	2.4	0.6	(0.2)	0.1	(19.7)	(13.4)
Credit to the income statement	3.7	0.3	0.3	—	—	4.3	8.6
Effect of rate change	—	—	(0.1)	—	—	—	(0.1)
Debit to equity	—	(0.4)	—	—	—	—	(0.4)
Foreign exchange movements	1.0	—	—	—	—	(3.4)	(2.4)
Prior year adjustment	0.3	—	0.4	—	—	—	0.7
Amounts arising on acquisition of subsidiaries (Note 31)	2.4	—	—	—	—	(6.9)	(4.5)
As at 31 December 2016	10.8	2.3	1.2	(0.2)	0.1	(25.7)	(11.5)

	As at 31 December 2016 £m	As at 31 December 2015 £m
<i>Analysed as:</i>		
Deferred tax liabilities	(25.9)	(19.9)
Deferred tax assets	14.4	6.5
	(11.5)	(13.4)

Deferred tax is provided in respect of temporary differences that have originated but not reversed at the balance sheet date and is determined using the tax rates that are expected to apply when the temporary differences reverse. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered.

19. Inventories

	As at 31 December 2016 £m	As at 31 December 2015 £m
Finished goods	1.7	1.2

Inventories comprise packaging materials and consumable items sold to restaurants and JCTs and Orderpads held in the United Kingdom prior to their sale to other Group companies. There is no material difference between the balance sheet value of inventories and its replacement cost.

20. Trade and other receivables

	As at 31 December 2016 £m	As at 31 December 2015 £m
Amount receivable for the provision of services	3.0	2.3
Allowance for doubtful debts	(0.9)	(1.0)
Trade receivables	2.1	1.3
Other receivables	11.7	4.7
Hungryhouse deposit (see Note 31)	6.0	—
Prepayments	6.7	4.5
Total trade and other receivables	26.5	10.5

Trade receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and their recoverable amount. The average age of the trade receivables as at 31 December 2016 was 74 days (2015: 96 days). As at 31 December 2016, 33 per cent (2015: 20 per cent) of the trade receivables were less than 30 days old, 15 per cent (2015: 11 per cent) were between 30 and 60 days old, 7 per cent (2015: 7 per cent) were between 60 and 90 days old and 45 per cent (2015: 62 per cent) were over 90 days old.

The Group has reviewed all balances and has made an allowance for debts which are considered unlikely to be collectable based on past default experience and an analysis of the counterparty's current financial position. Allowances against doubtful debts are recognised against trade receivables.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The Group does not hold any collateral or other credit enhancements over these balances.

Movement in the allowance for doubtful debts

	2016 £m	2015 £m
At 1 January	1.0	0.7
Foreign exchange movements	0.1	—
Impairment losses recognised	0.7	0.9
Amounts written off during the year	(0.9)	(0.5)
Amounts recovered during the year	—	(0.1)
At 31 December	0.9	1.0

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the consumer base being large and unrelated. The Directors consider that the carrying amount of trade and other receivables, after taking into account the allowance for doubtful debts, is approximately equal to their fair value. At 31 December 2016, £0.9 million (2015: £1.0 million) of the allowance for doubtful debts was in respect of receivables more than 120 days old.

Other receivables

At 31 December 2016, other receivables of £11.7 million (2015: £4.7 million) included amounts due from loans made to the participants of the JSOP of £1.7 million (2015: £3.7 million). The carrying amounts of these assets approximates to their fair value.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

21. Trade and other payables

	As at 31 December 2016 £m	As at 31 December 2015 £m
Trade payables	52.7	54.0
Other payables and accruals	49.1	37.4
Other taxes and social security	10.3	8.0
Total trade and other payables	112.1	99.4

Trade payables and other payables and accruals principally comprise amounts outstanding for trade purchases and administrative costs. Included in trade payables are amounts owed to restaurants of £33.8 million (2015: £43.8 million) which are now typically settled on a weekly basis (2015: typically fortnightly). The average period for which amounts were due to Restaurant Partners was four days (2015: eight days). For most suppliers no interest is charged on the trade payables for at least the first 30 days from the date of the invoice.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Directors consider that the carrying amount of trade payables approximates to their fair value.

22. Deferred revenues

	As at 31 December 2016 £m	As at 31 December 2015 £m
Current deferred revenues	3.8	3.7
Non-current deferred revenues	0.9	1.1
Total deferred revenues	4.7	4.8

Equipment supplied to restaurants is invoiced upfront. These revenues are deferred over 36 months. A connection fee is also charged when restaurants join the network. These revenues are recognised over a 12-month period.

In addition, the Group's Danish, French and Swiss based Restaurant Partners pay an annual subscription fee. These revenues are recognised over a 12-month period.

23. Provisions for liabilities

	Contingent Consideration £m	Other provisions £m	Total 2016 £m	Total 2015 £m
At 1 January	0.2	9.4	9.6	9.5
Recognised on acquisition (see Note 31)	40.8	—	40.8	6.7
Additional provision in the year	—	7.2	7.2	3.9
Utilisation of provision	(0.1)	(0.8)	(0.9)	(3.1)
Released during the year	—	(1.5)	(1.5)	(3.4)
Transferred to trade and other payables	—	(0.2)	(0.2)	(3.9)
Unwinding of discount	—	0.2	0.2	0.2
Foreign exchange movements	0.2	1.3	1.5	(0.3)
At 31 December	41.1	15.6	56.7	9.6

23. Provisions for liabilities *continued*

This is split between current and non-current liabilities as follows:

	As at 31 December 2016 £m	As at 31 December 2015 £m
Current	13.6	0.3
Non-current	43.1	9.3
Total provisions for liabilities	56.7	9.6

Contingent consideration in respect of the SkipTheDishes acquisition

The consideration for SkipTheDishes included £40.8 million of contingent consideration. The consideration is payable in 2018 and 2019 and is contingent upon the performance of SkipTheDishes in 2017 and 2018.

The consideration is recorded at fair value, which is the present value of the expected cash outflows of the obligation. It has been assumed that the business will perform in-line with its current business plans. The discount rate applied to the obligation was 1.73 per cent.

A ten per cent increase in revenues would have no impact on the provision, as the contingent consideration is capped. A ten per cent decrease in revenues however would reduce the provision by £9.6 million.

Half a per cent increase or decrease in the discount rate would decrease or increase the liability by £0.4 million and £0.4 million, respectively. Changes in the discount rate do not impact on the Group's estimate of the final consideration payable. Future movements in the liability will be recognised within other gains and losses.

Buy-out of minority shareholder

As at 31 December 2016, other provisions included £9.1 million (2015: £9.1 million) in respect of the Group's commitment to buy out the minority shareholder of FBA Invest SaS, in 2017. The amount payable is dependent on the result of the Group's French business for 2016 and its future result for 2017. Movements in the provision, other than its utilisation, are charged/credited to other gains and losses (see Note 9).

hungryhouse transaction costs

On 15 December 2016, the Group announced its intention to acquire hungryhouse. As at 31 December 2016 other provisions included £5.0 million (2015: £nil) in respect of transaction costs in respect of this acquisition. The final amounts payable are contingent upon the successful completion of the transaction.

Social security costs on exercise of employee share options

As at 31 December 2016, the Group provided for £0.5 million (2015: £0.3 million) of employer's social security costs that crystallise on the exercise of share options by employees.

Increased stake in IF-JE

On 11 February 2015, the Group acquired a further 5 per cent stake in IF-JE. The consideration payable of £6.7 million was dependent upon the performance of IF-JE for the period to 31 October 2015, and was payable in instalments over the period to 31 October 2016. The cash outflow during the year ended 31 December 2015 was £2.8 million, with £3.9 million transferred to creditors once the amount of consideration payable was determined.

24. Other long-term liabilities

	As at 31 December 2016 £m	As at 31 December 2015 £m
Software license creditors	0.3	0.6
Total other long-term liabilities	0.3	0.6

As at 31 December 2016, the other long-term creditor is payable in 2018 and relates to the purchase of a software licence.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

25. Share capital

	2016		2015	
	Ordinary shares million	Total £m	Ordinary shares million	Total £m
At 1 January	675.4	6.8	568.1	5.7
Placing and open offer	—	—	105.4	1.1
Issue of shares (see Note 31)	1.0	—	—	—
Options exercised (see Note 34)	2.1	—	1.9	—
At 31 December	678.5	6.8	675.4	6.8

On 20 December 2016, the Group issued 1.0 million new one pence Ordinary Shares which formed £6.2 million of the SkipTheDishes acquisition consideration (see Note 31). These shares will be held in escrow until 14 December 2017.

On 11 June 2015, the Group raised £435.6 million (net of costs) through a placing and open offer of 105.4 million new one pence Ordinary Shares at a price of 425 pence per share. The proceeds were principally used to fund the acquisition of the Menulog Group. Costs of £12.4 million that related directly to the placing and open offer have been deducted from the share premium account.

Ordinary Shares

Ordinary Shares have a par value of £0.01 each and entitle the holders to receive notice, attend, speak and vote at general meetings. Holders of Ordinary Shares are entitled to distributions of available profits pro-rata to their respective holdings of shares.

26. Share premium account

	Notes	As at 31 December 2016 £m	As at 31 December 2015 £m
At 1 January		555.5	120.5
Placing and open offer	25	—	446.9
Placing and open offer costs	25	—	(12.4)
Issue of shares as part consideration for the acquisition of SkipTheDishes	25	6.2	—
Options exercised		0.5	0.5
At 31 December		562.2	555.5

27. Translation reserve

	Notes	As at 31 December 2016 £m	As at 31 December 2015 £m
At 1 January		(11.0)	0.4
Exchange differences on translation of foreign operations – Group		97.9	(7.8)
Exchange differences on translation of foreign operations – Associates	16	7.7	(3.5)
Transfer to the income statement		0.1	(0.1)
At 31 December		94.7	(11.0)

Exchange differences relating to the translation of the net assets, income and expenses of the Group's foreign operations, from their functional currency into the Group's reporting currency, being pound sterling, are recognised directly in the translation reserve.

28. Other reserves

	Merger reserve £m	Treasury shares reserve £m	Cash flow hedging reserve £m	Total £m
At 1 January 2015	1.9	(8.6)	—	(6.7)
Treasury shares	—	(0.1)	—	(0.1)
Exercise of JSOP awards	—	0.4	—	0.4
Net fair value losses on cash flow hedges	—	—	(6.2)	(6.2)
Income tax related to net fair value losses on cash flow hedges	—	—	1.2	1.2
Net fair value losses on cash flow hedges reclassified to goodwill	—	—	5.0	5.0
At 31 December 2015	1.9	(8.3)	—	(6.4)
Treasury shares	—	(0.5)	—	(0.5)
Exercise of JSOP awards	—	0.5	—	0.5
Fair value gains on cash flow hedges	—	—	1.8	1.8
Income tax related to fair value gains on cash flow hedges	—	—	(0.5)	(0.5)
Net fair value gains on cash flow hedges reclassified to goodwill	—	—	(1.3)	(1.3)
At 31 December 2016	1.9	(8.3)	—	(6.4)

Merger reserve

In July 2009 a Group reorganisation was undertaken. Under this reorganisation, Ordinary Shares were issued and cancelled and Preference A shares were issued. This was treated as a common control transaction under IFRS as the ultimate shareholders and their relative rights were the same before and afterwards. This reserve represents the difference between the nominal value of the shares issued and the nominal value of the shares on the Group reorganisation in July 2009. The balance of this account has not changed and remains at £1.9 million as at 31 December 2016.

Treasury shares reserve

This reserve arose when the Group issued equity share capital under its JSOP and SIP, which are held in trust by the Trustee of one of the Group's Employee Benefit Trusts ("EBTs"). See Note 34 for more information on the JSOP and SIP.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in the fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses arising on the hedging instruments are recognised in the cash flow hedging reserve. These gains or losses are reclassified to profit or loss when the hedged transaction affects the income statement, or included as a basis adjustment to the non-financial hedged item, consistent with the Group's accounting policy.

29. Retained earnings

	Notes	2016 £m	2015 £m
At 1 January		80.6	63.1
Profit attributable to owners of the Company		71.7	23.1
Credit to equity in respect of the share based payment charge	4, 34	2.8	2.6
Tax on share options	11	0.8	2.8
Partial disposal of Mexican business	30	4.8	—
Acquisition of minority interest in Eat.ch GmbH		—	(11.0)
At 31 December		160.7	80.6

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

30. Non-controlling interests

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
At 1 January	0.4	0.8
Share of net losses for the year	(0.3)	(0.1)
Foreign exchange movements	(0.2)	—
Adjustment on partial disposal of Mexican business	7.3	—
Adjustment to NCI in respect of funding provided by minority interests	0.5	—
Adjustment to NCI on purchase of minority interest in Eat.ch GmbH	—	(0.3)
At 31 December	7.7	0.4

On 2 August 2016, the Group sold 49 per cent of its Mexican business, which includes El Cocinero a Cuerda SL ("ECAC"), and its subsidiaries: SinDelantal Mexico SA de CV; and Inversiones Hellofood S. de R.L. de C.V. to IF-JE NL, for consideration of £12.1 million. The Group retained control of ECAC and its subsidiaries. As the Group also holds 33 per cent of the shares in IF-JE NL, the Group's holding in ECAC and its subsidiaries is 67 per cent using the "indirect method". The Group recognised a net gain on the disposal of £4.8 million which was recorded in equity. The cash inflow on the partial disposal was £9.3 million, with the remaining consideration being outstanding at 31 December 2016.

On the 22 January 2015 the Group acquired the minority shareholdings in Eat.ch GmbH, its Swiss trading subsidiary. The net cash outflow on the acquisition of the additional stake was £11.3 million.

The following table sets out the summary consolidated financial information in respect of FBA Invest SaS and ECAC.

	FBS Invest SaS		ECAC
	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m	Period ended 31 December 2016 £m
Income statement			
Revenues	20.8	13.6	0.7
Underlying EBITDA	3.9	2.3	(1.8)
Profit/(loss) after tax	1.3	0.3	(1.6)
	FBS Invest SaS		ECAC
	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 31 December 2016 £m
Balance sheet			
Cash	9.4	7.4	1.1
Other current assets	1.7	1.0	0.1
Total current assets	11.1	8.4	1.2
Non-current assets	2.7	0.4	21.5
Total assets	13.8	8.8	22.7
Current liabilities	(9.6)	(7.4)	(1.5)
Non-current liabilities	—	(0.2)	—
Total liabilities	(9.6)	(7.6)	(1.5)
Net assets	4.2	1.2	21.2
Non-controlling interests	0.8	0.2	6.9

31. Acquisitions and disposals

Acquisitions in the current year	Notes	LNR/PizzaBo/ HFMX/HFBR ¹ £m	SkipThe Dishes ² £m	Total £m
Fair values of net assets acquired				
Cash		1.8	3.9	5.7
Intangible assets – Restaurant contracts	14	7.0	7.5	14.5
Intangible assets – Brand	14	—	7.9	7.9
Intangible assets – Patents, licences and IP	14	—	3.9	3.9
Deferred tax asset in respect of losses	18	1.6	0.8	2.4
Deferred tax liability in respect of intangible assets	18	(1.7)	(5.2)	(6.9)
Trade and other receivables		1.6	3.3	4.9
Property, plant & equipment		0.1	0.1	0.2
Trade and other payables		(3.4)	(5.8)	(9.2)
Borrowings		(1.0)	—	(1.0)
Fair value gains/(losses) on cash flow hedges	28	1.9	(0.1)	1.8
Income tax related to fair value losses on cash flow hedges	28	(0.5)	—	(0.5)
Assets held for sale – hellofood Brazil		2.1	—	2.1
		9.5	16.3	25.8
Goodwill	13	89.1	92.1	181.2
Total consideration		98.6	108.4	207.0
<i>Satisfied by:</i>				
Cash consideration		99.6	60.1	159.7
Share consideration	25	—	6.2	6.2
Contingent consideration	23	—	40.8	40.8
Deferred consideration		(1.0)	1.3	0.3
Total consideration		98.6	108.4	207.0
<i>Net cash outflow arising on acquisition:</i>				
Cash consideration		99.6	60.1	159.7
Cash acquired		(1.8)	(3.9)	(5.7)
Net cash outflow		97.8	56.2	154.0
<i>Contribution since control obtained:</i>				
Revenues		n/a	1.0	1.0
Underlying EBITDA		n/a	(0.1)	(0.1)

None of the business combinations that completed during the year had any goodwill that is expected to be deductible for tax purposes.

Transaction costs incurred on acquisition were £1.9 million for LNR/PizzaBo/HFMX/HFBR and £1.0 million for SkipTheDishes.

If the acquisitions had completed on 1 January 2016 they would have contributed the following results for the year ended 31 December 2016:

	LNR/PizzaBo/ HFMX/HFBR ¹ £m	SkipThe Dishes ² £m
Revenues	n/a	12.4
Underlying EBITDA	n/a	(1.8)

1. Immediately after acquisition, hellofood Brazil was disposed to IF-JE (an associate of the Group). Also, during the year, the PizzaBo/hellofood Italy, La Nevera Roja and hellofood Mexico's businesses were transferred into Just-Eat Italy S.r.l., Just-Eat Spain SLU and SinDelantal Mexico SA de CV, respectively. Because of this, it is not possible to track separately the results for any of these businesses after their respective transfers. As a result, neither the results since control was obtained nor for the full year ended 31 December 2016 are able to be disclosed.

2. Due to the limited amount of time since the acquisition of SkipTheDishes, on 14 December 2016, the acquisition accounting is provisional. This includes the valuation of the acquired intangible assets as some of the inputs to the valuation models were based on estimates.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

31. Acquisitions and disposals *continued*

Net cash outflow on acquisition of businesses

The net cash outflow on acquisition of businesses during the year ended 31 December 2016 as shown in the previous table was £154.0 million. The amount in the Consolidated Cash Flow Statement also includes £0.7 million of deferred consideration paid during the year in respect of acquisitions made in previous years. For the year ended 31 December 2015, the net cash outflow of £448.4 million principally related to the acquisition of the Menulog Group (£421.4 million).

Acquired businesses

On 5 February 2016 the Group agreed to acquire the entire share capital of La Nevera Roja, PizzaBo and hellofood in Italy, hellofood Mexico and hellofood Brazil for €125.0 million (£98.6 million). These businesses are in the digital marketplace for takeaway delivery food in Spain (La Nevera Roja), Italy (PizzaBo and hellofood), Mexico and Brazil. The acquired businesses are highly complementary to Just Eat's existing businesses in these important territories and the acquisition is in line with Just Eat's strategic ambition to be a market leader in the geographies in which it operates, bringing scale, focus and new talent to the local operations. Completion of these acquisitions occurred immediately with the exception of La Nevera Roja which completed on 4 April 2016, following the receipt of approval from the local competition authority, the Comisión Nacional de los Mercados y la Competencia. hellofood Brazil was subsequently sold to the Group's Brazilian associate (IF-JE) for cash consideration of £2.1 million.

On 14 December 2016, the Group agreed to acquire the entire share capital of Restaurants Services Inc. ("SkipTheDishes") for an initial consideration of C\$110.0 million (£66.3 million). The initial consideration comprised C\$100.0 million (£60.1 million) which was paid in cash immediately on completion and C\$10.0 million (£6.2 million) payable in the form of 1,046,601 new Just Eat Ordinary Shares of £0.01 each. The new Ordinary Shares were issued and listed on 20 December 2016 (see Note 25) and are held in escrow until 14 December 2017. Deferred consideration of C\$2.2 million (£1.3 million) is payable in 2017. A further cash amount of up to C\$70.0 million (£42.1 million) may also be payable, subject to certain strict financial targets being met. A provision (discounted for the time value of money) of £40.8 million was established on acquisition for this contingent consideration (see Note 23).

Further consideration of up to C\$20 million (£12.0 million) is payable between 2018 and 2020, dependent upon on SkipTheDishes management providing certain services to the Group post-completion. As such, this consideration does not form part of the acquisition consideration, but the amounts payable will be charged to the income statement as the services are provided to the Group.

SkipTheDishes is one of Canada's largest online food delivery marketplaces and has developed a technologically-advanced delivery platform focused on lower density metropolitan and suburban areas, which are key features of the Canadian market. It has a selection of more than 2,900 unique restaurants and 350,000 active customers. SkipTheDishes is currently experiencing strong top-line growth, with orders for the year ended 31 December 2016 of 2.2 million, representing year-on-year growth of 205 per cent.

Proposed hungryhouse acquisition

On 15 December 2016, the Group announced that it had agreed the acquisition of Hungryhouse Holdings Limited ("hungryhouse") from Delivery Hero Holding GmbH ("Delivery Hero") for an initial consideration of £200.0 million, payable in cash. A further cash amount of up to £40.0 million may also be payable, subject to the performance of hungryhouse between signing and completion of the transaction. The acquisition is to be funded through cash resources and credit facilities. It is subject to approval by the Competition and Markets Authority ("CMA").

The acquisition is consistent with Just Eat's strategic ambition to accelerate its growth and increase its market presence in every geography in which it operates. hungryhouse is an online food company operating solely in the UK, with a comparable business model to Just Eat. The value of the gross assets of hungryhouse as at 31 December 2015 was £5.0 million and the losses before tax for the year ending the same date were £13.1 million.

The Group paid a deposit of £6.0 million to Delivery Hero, which is included within trade and other receivables (see Note 20), as at 31 December 2016. This deposit is refundable in very limited circumstances, not including an adverse ruling by the CMA. Should the acquisition complete, the consideration payable will be reduced by this £6.0 million deposit.

31. Acquisitions and disposals continued

Disposal of Benelux subsidiaries

On 2 August 2016, the Group sold its Benelux subsidiaries (Just-Eat Belgie BVBA and Just-Eat Benelux BV) to Takeaway.com for £19.3 million total consideration. The Group recognised a net gain on disposal of £18.7 million, which is recorded in other gains and losses (see Note 9). The gain was calculated as follows:

	£m
Total consideration	19.3
Net assets disposed	(0.4)
Cumulative translation losses	(0.1)
Transaction costs	(0.1)
Net gain on disposal	18.7
Satisfied by:	
Cash consideration	15.7
Deferred consideration	3.6
Total consideration	19.3
Net cash outflow arising on disposal:	
Consideration received	15.7
Less cash and cash equivalents disposed	(1.1)
Net cash inflow arising on disposal	14.6

32. Operating lease arrangements

The Group as lessee

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Minimum lease payments under operating leases recognised as an expense in the year	4.2	3.1

As at 31 December, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Property 2016 £m	Plant and equipment 2016 £m	Total 2016 £m	Property 2015 £m	Plant and equipment 2015 £m	Total 2015 £m
Within one year	5.3	0.5	5.8	2.2	0.6	2.8
In the second to fifth years inclusive	16.1	0.5	16.6	4.9	0.4	5.3
Over five years	13.9	—	13.9	—	—	—
Total commitments	35.3	1.0	36.3	7.1	1.0	8.1

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

33. Net cash inflow from operating activities

	Notes	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Operating profit for the year		72.5	35.5
<i>Adjustments for:</i>			
Share of results of associates	16	0.1	2.2
Depreciation of property, plant and equipment	15	6.2	4.2
Amortisation of intangible assets	14	18.1	10.3
Loss on disposal of property, plant and equipment		0.5	—
Increase in provisions		6.1	—
Non-cash long-term employee incentive costs		3.0	2.6
Other non-cash items		—	0.4
Operating cash flows before movements in working capital		106.5	55.2
Increase in inventories		(0.5)	(0.3)
Decrease in receivables		3.0	1.9
Increase in payables		1.9	27.2
Decrease in deferred income		(0.1)	(0.4)
Cash generated by operations		110.8	83.6
Income taxes paid		(12.7)	(8.2)
Interest paid		(0.4)	(0.5)
Facility fees paid		(0.7)	(0.7)
Net cash inflow from operating activities		97.0	74.2

34. Share based payments

The Group operates a number of equity-settled share based compensation plans. In accordance with IFRS 2 *Share Based Payment*, the value of the awards are measured at their fair value on the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. With the exception of certain awards under the Performance Share Plan ("PSP"), the fair value of the awards granted was calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

The total expense recorded in relation to the long-term employee incentives was £3.1 million (2015: £2.9 million). This charge comprised £2.8 million (2015: £2.6 million) in respect of share based payments and £0.3 million (2015: £0.3 million) in respect of employer's social security costs on the exercise of options. As at 31 December 2016, the provision for social security costs on the exercise of options was £0.5 million (2015: £0.3 million).

As at 31 December 2016 the Group had the following equity-settled share based compensation plans in operation.

Just Eat plc Enterprise Management Incentive Scheme ("EMI Scheme")

Under the terms of the EMI Scheme, the Board granted options to certain employees of the Group to purchase shares in the Company.

Options are no longer being granted under this scheme.

Just Eat plc Company Share Option Plan ("CSOP")

Under the terms of the CSOP, the Board may grant options to purchase Ordinary Shares in the Company. The CSOP is an equity-settled share option scheme approved by Her Majesty's Revenue & Customs ("HMRC") and was established in 2011.

Under the CSOP, the Board may grant options over Ordinary Shares in the Company to eligible employees. The eligible employees to whom options are granted and the terms of such options are determined by the Board. All employees are eligible to participate in the CSOP, including employees of the Company's subsidiaries, but not all grants are approved by HMRC. Options are not transferable.

The exercise price of options may not be less than the market value of the Company's shares on the date of grant in order for the scheme to qualify as an approved HMRC scheme.

Vested options in the CSOP scheme became exercisable on the Company's IPO in April 2014.

Options are no longer being granted under this scheme.

34. Share based payments *continued*

EMI Scheme and CSOP

Options are exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant. Options vest in stages over a three-year period commencing on a specified date which is typically one year after the date of grant. Options are forfeited if an employee leaves the Group before the options vest and expire if they remain unexercised ten years after the date of grant. Details of the share options granted under the EMI Scheme and CSOP are as follows:

	2016		2015	
	Number of share options (millions)	Weighted average exercise price (pence)	Number of share options (millions)	Weighted average exercise price (pence)
Outstanding at 1 January	5.2	33.8	7.6	34.0
Forfeited during the year	(0.3)	40.6	(0.5)	32.0
Exercised during the year	(2.1)	26.9	(1.9)	27.0
Outstanding at 31 December	2.8	37.3	5.2	33.8
Exercisable at 31 December	2.2	35.6	3.7	30.0

The range of exercise prices for both current and prior year options outstanding was 4.6 to 57.7 pence. During the year ended 31 December 2016, the weighted average share price at the date of exercise was 497.7 pence (2015: 427.9 pence). As at 31 December 2016, the weighted average remaining contractual life of the share options was 6.7 years (2015: 7.5 years).

Just Eat Share Incentive Plan ("SIP")

Under the terms of the SIP, the Board may award Ordinary Shares in the Company at no cost to eligible employees. The SIP is an equity-settled share option scheme approved by HMRC. The shares vest after three years from grant. Shares were granted under this scheme on the date of the IPO with a fair value of 260.0 pence and all awards outstanding vest on 8 April 2017. Details of the SIP awards granted are as follows:

	2016 Number of SIP awards (millions)	2015 Number of SIP awards (millions)
Outstanding at 1 January	0.3	0.4
Forfeited during the year	—	(0.1)
Outstanding at 31 December	0.3	0.3
Exercisable at 31 December	—	—

The SIP awards do not expire.

Just Eat Joint Share Ownership Plan ("JSOP")

The JSOP is a share ownership scheme under which the employee and Appleby Trust (Jersey) Limited, the EBT Trustee, hold a joint interest in Ordinary Shares.

Interests under the JSOP take the form of restricted interests in Ordinary Shares in the Company. An interest permits a participant to benefit from the increase (if any) in the value of a number of Ordinary Shares in the Company over specified threshold amounts. In order to acquire an interest, a participant must enter into a joint share ownership agreement with the EBT Trustee, under which the participant and the EBT Trustee jointly acquire the shares and agree that when the shares are sold the participant has a right to receive the proportion of the sale proceeds that exceed the threshold amount.

The vesting of interests granted to employees is subject to the option holder continuing to be employed by the Group. Interests vest in stages over a three-year period commencing on a specified date, typically one year after the date of grant. The fair value of interests awarded under the JSOP was determined using the Black-Scholes option pricing model.

Awards are no longer being granted under this scheme.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

34. Share based payments *continued*

Just Eat Joint Share Ownership Plan ("JSOP") continued

Details of the JSOP interests are as follows:

	2016		2015	
	Number of JSOP awards (millions)	Weighted average exercise price (pence)	Number of JSOP awards (millions)	Weighted average exercise price (pence)
Outstanding at 1 January	11.8	54.2	16.8	49.9
Forfeited during the year	(1.1)	70.5	(0.9)	66.5
Exercised during the year	(4.6)	43.7	(4.1)	34.1
Outstanding at 31 December	6.1	59.2	11.8	54.2
Exercisable at 31 December	3.7	55.2	5.6	47.7

The range of exercise prices for both current and prior year options outstanding was 4.6 to 76.3 pence. During the year ended 31 December 2016, the weighted average share price at the date of exercise was 448.4 pence (2015: 422.7 pence). The weighted average remaining contractual life of the JSOP awards was 6.9 years (2015: 7.7 years).

Just Eat plc Performance Share Plan ("PSP")

During the current and prior year, PSP awards were granted to certain employees to help incentivise sustained performance over the long term, and to promote alignment with the shareholders' interests. Awards under the PSP are granted as nil-cost options which vest to the extent performance conditions are satisfied, predominantly over a period of three years. Details of the PSP interests are as follows:

	2016 Number of PSP awards (millions)	2015 Number of PSP awards (millions)
Outstanding at 1 January	1.2	—
Granted during the year	1.8	1.2
Forfeited during the year	(0.4)	—
Outstanding at 31 December	2.6	1.2
Exercisable at 31 December	—	—

The weighted average fair value of the PSP awards at date of grant was 364.5 pence (2015: 422.0 pence).

The weighted average remaining contractual life of the PSP awards was 8.9 years (2015: 9.4 years).

The vesting of interests granted to employees is subject to the option holder continuing to be employed by the Group. For members of the Executive Team, 50 per cent of the awards granted have TSR performance criteria and 50 per cent are based on EPS. The fair value of interests awarded under the PSP was determined using the Black-Scholes option pricing model, with the TSR performance criteria being calculated using the stochastic simulation model.

Savesave Plan

During the year eligible employees were offered the option to buy shares in the Company after a period of three years funded from the proceeds of a savings contract to which they contribute on a monthly basis. Details of the Savesave Plan are below:

	2016		2015	
	Number of shares (millions)	Weighted average exercise price (pence)	Number of shares (millions)	Weighted average exercise price (pence)
Outstanding at 1 January	0.6	326.0	—	—
Granted during the year	0.4	439.0	0.6	326.0
Forfeited during the year	(0.1)	328.9	—	—
Outstanding at 31 December	0.9	377.0	0.6	326.0
Exercisable at 31 December	—	—	—	—

The weighted average remaining contractual life of the share options is 2.8 years (2015: 3.3 years). The fair value of the options on the date of grant was 216.0 pence (2015: 163.0 pence).

34. Share based payments *continued*

Assumptions

The following inputs were applied when using the Black-Scholes option pricing model to determine the fair value of options granted:

	2016		2015	
	PSP awards	Sharesave Plan	PSP awards	Sharesave Plan
Share price	383–555p	548p	400–458p	407p
Exercise price	—	439p	—	326p
Expected volatility ¹	46.7–48.0%	46.0%	46.4–48.0%	47.0%
Expected life (months)	12–36	36	12–36	36
Risk-free rate	0.51%	0.51%	0.68%	0.68%
Expected dividend yields	—	—	—	—

1. Calculated using the share price for the last 12 months.

The stochastic model applied to the TSR performance criteria element of the PSP scheme was simulated with 100,000 trials.

35. Financial instruments

Financial instruments comprise financial assets, financial liabilities and derivative financial instruments.

As at 31 December, the Group's financial assets comprised trade and other receivables, cash and cash equivalents and investments classified as available for sale. The classification of these financial assets is set out in the following table. Financial liabilities comprised borrowings, trade and other payables, provisions for liabilities and other long-term liabilities.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in Notes 25 to 29. In December 2016, the Group signed a £200 million (2015: £90 million) revolving credit facility ("RCF") which remains undrawn and has an interest rate range of 0.95 per cent to 1.55 per cent (2015: 1.20 per cent to 1.80 per cent) above LIBOR. The Group is not subject to any externally imposed capital requirements.

Financial risk management objectives

The main financial risks faced by the Group are credit risk, liquidity risk and market risk, which includes interest rate risk and currency risk. The Board regularly reviews these risks and will enter into derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's treasury policy approved by the Board, which provides written principles on foreign exchange risk and the use of financial derivatives and non-financial derivative financial instruments.

Categories of financial instruments

	Notes	As at 31 December	
		2016 £m	2015 £m
Financial assets			
<i>Loans and receivables:</i>			
Cash and cash equivalents		130.6	192.7
Trade and other receivables (excluding prepayments)	20	19.8	6.0
<i>Available for sale investments:</i>			
Other investments	17	4.1	0.1
Total financial assets		154.5	198.8
Financial liabilities			
<i>Other financial liabilities at amortised cost:</i>			
Trade and other payables (excluding other taxes and social security)	21	101.8	91.4
Provisions for liabilities (excluding social security)	23	56.2	9.6
Other long-term liabilities		0.3	0.6
Borrowings		1.0	—
Total financial liabilities		159.3	101.6

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

35. Financial instruments *continued*

Categories of financial instruments continued

Cash and cash equivalents comprise cash and, in the prior year, they also included short-term bank deposits with an original maturity of three months or less. As at 31 December 2016 the cash and cash equivalents also included £0.1 million held in escrow. The carrying amounts of all financial instruments equal their fair value.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies and consequently exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities were as follows:

	Assets as at 31 December		Liabilities as at 31 December	
	2016 £m	2015 £m	2016 £m	2015 £m
Euros	36.0	30.4	32.1	25.1
Canadian dollars	12.7	6.9	49.3	3.8
Danish kroner	7.2	9.0	17.0	15.3
Swiss francs	6.4	1.9	3.1	0.9
Australian dollars	320.1	258.4	13.0	4.4

Foreign currency sensitivity analysis

The Group is primarily exposed to the Euro, the Australian dollar, the Danish krone and the Canadian dollar.

The following table details the Group's sensitivity to a 10 per cent depreciation and 10 per cent appreciation in pound sterling against the relevant foreign currencies. 10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the period end for a 10 per cent change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group.

Impact on income statement and other comprehensive income/(loss)

	Appreciation in pound sterling				Depreciation in pound sterling			
	Income statement 2016 £m	Equity 2016 £m	Income statement 2015 £m	Equity 2015 £m	Income statement 2016 £m	Equity 2016 £m	Income statement 2015 £m	Equity 2015 £m
Euros	(1.6)	0.9	(1.2)	—	2.0	(1.1)	1.5	—
Australian dollars	—	(27.9)	—	(23.1)	—	34.1	—	28.2
Swiss francs	—	(0.3)	—	(0.1)	—	0.4	—	0.1
Canadian dollars	(0.5)	3.8	0.1	(0.2)	0.6	(4.7)	(0.1)	0.3
Danish kroner	0.3	(0.2)	(0.5)	(0.3)	(0.3)	0.2	0.6	0.3

The Group's sensitivity to fluctuations in foreign currencies is the result of increased activity in the foreign-owned subsidiaries which has led to a significant increase in foreign currency-denominated trade payables, trade receivables and intercompany borrowings.

35. Financial instruments continued

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date. For assets and floating rate liabilities, the analysis is prepared assuming the amount of asset/liability outstanding at the balance sheet date was outstanding for the whole year. A 10 per cent increase or decrease in the interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 per cent higher/lower and all other variables were held constant, the Group's:

- profit before taxation for the year ended 31 December 2016 would increase by £3,000 (2015: £49,000); and
- there would have been no effect on amounts recognised directly in equity.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its major counterparties are continuously monitored.

Trade receivables consist of a large number of consumers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The carrying amount of financial assets recorded in the financial statements, which are stated net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In December 2016, the Group signed a £200 million revolving credit facility which expires in March 2020. The facility is unsecured and contains common financial covenants for the Company and its subsidiaries that the ratio of total net debt to Underlying EBITDA must not exceed 3.0, interest cover ratio of Underlying EBITDA to net finance charges must not be less than 4.0, and any new earn-out deferred consideration must not exceed one times the Underlying EBITDA. The financial covenants are tested on a quarterly basis and have been complied with at all measurement points. No amounts had been drawn during the year.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Weighted average effective interest rate %	Less than 1 year £m	1–2 years £m	2–5 years £m	5+ years £m	Total £m
31 December 2016						
Non-interest bearing	—	115.3	23.9	21.4	—	160.6
Discount for time value of money	—	—	(0.5)	(0.8)	—	(1.3)
		115.3	23.4	20.6	—	159.3
31 December 2015						
Non-interest bearing	—	91.7	8.9	1.4	—	102.0
Discount for time value of money	—	—	(0.4)	—	—	(0.4)
	—	91.7	8.5	1.4	—	101.6

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

35. Financial instruments *continued*

Liquidity and interest risk tables continued

The following table details the Group's expected maturity for its financial assets and are based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets.

	Weighted average effective interest rate %	Less than 1 month £m	1–3 months £m	3 months to 1 year £m	1–5 years £m	5+ years £m	Total £m
31 December 2016							
Non-interest bearing	—	91.0	—	—	—	—	91.0
Fixed interest rate instruments	0.6	63.5	—	—	—	—	63.5
		154.5	—	—	—	—	154.5
31 December 2015							
Non-interest bearing	—	76.9	—	—	—	—	76.9
Fixed interest rate instruments	0.4	121.9	—	—	—	—	121.9
		198.8	—	—	—	—	198.8

The Group expects to meet its obligations from operating cash flows.

Derivative financial instruments

The following material derivative financial instrument transactions were entered into by the Group:

a) La Nevera Roja acquisition

In connection with the acquisition of 100 per cent of the share capital of La Nevera Roja, the Group entered into a foreign exchange forward contract to mitigate the foreign exchange risk of the agreed consideration. Hedge accounting was adopted with both the foreign exchange forward contract and the Euro-denominated funds being jointly held as a cash flow hedge. The net gain of £1.9 million was basis adjusted to the consideration paid for La Nevera Roja (the non-financial hedged item).

b) Menulog Group Limited acquisition

In connection with the acquisition of 100 per cent of the share capital of the Australian based Menulog Group Limited in June 2015, the Group entered into derivative financial instruments to help mitigate the foreign exchange risk of the agreed A\$855 million purchase price. The derivatives were a foreign exchange option and a foreign exchange forward contract.

Hedge accounting was not adopted for the foreign exchange option. The net loss of £3.9 million was charged to other gains and losses in the income statement.

The foreign currency forward contract was classified as a cash flow hedge and resulted in a loss of £6.2 million being basis adjusted to the consideration paid for Menulog Group Limited (the non-financial hedged item).

c) SinDelantal Internet S.L. acquisition

At the time the Group acquired SinDelantal Internet S.L. in 2012, it granted a loan to the selling shareholders in order that they could provide working capital to their Mexican business. Part of the loan was convertible into a minority shareholding in the holding company (ECAC) of the Mexican business. The embedded option was recognised on the 31 December 2014 Consolidated Balance Sheet at a fair value of £0.4 million. The fair value was based on an offer made for the business around the time of the Group's year end. This unobservable market information ranks as level 3 data in the fair value hierarchy (see Note 39d). During 2015, a fair value gain of £0.2 million was recognised within other gains and losses in the Consolidated Income Statement, prior to the conversion of the loan into shares of ECAC on its acquisition of the Group in February 2015.

d) SkipTheDishes acquisition

The Group entered into a foreign exchange forward contract to mitigate the foreign exchange risk of the initial cash consideration of C\$100.0 million. This contract was designated as the hedging instrument as part of a cash flow hedge. A net loss of £0.1 million on the cash flow hedge was basis adjusted to the consideration paid for SkipTheDishes (the non-financial hedged item).

36. Related party transactions

Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions. The following transactions were entered into with related parties:

iFood

During the year ended 31 December 2016, the Group provided iFood with working capital funding of £2.1 million (2015: £2.5 million). The Group received additional shares as consideration for the funding. The majority shareholder (Movile) also participated in the funding. As the iFood's minority shareholders didn't participate in the funding, the Group's holding in iFood marginally increased to 30.4 per cent (2015: 30.2 per cent).

The Group disposed of 100 per cent of the shares in hellofood Brazil to iFood for £2.1 million total consideration. iFood have contracted to provide management services to the Mexican enlarged business. The total charge incurred for the year was £0.4 million, which was accrued on the balance sheet at 31 December 2016.

IF-JE NL

During the year, the Group along with Movile incorporated IF-JE NL, a holding company based in the Netherlands. The Group contributed £3.4 million in exchange for 33.3 per cent of the shares in the company. IF-JE NL used these funds along with £6.6 million of funds contributed by Movile to acquire 49 per cent of the share capital in ECAC for £12.1 million total consideration.

With the exception of key management personnel and the £0.4 million accrued management services payable to IF-JE, no amounts were owed by and to related parties at the balance sheet date.

Compensation of key management personnel of the Group

The key management of the Group comprises members of the Board and the Executive Team.

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Short-term employee benefits	4.9	3.1
Post-employment pension	0.1	0.1
Share based compensation	1.1	1.5
Total compensation of key management personnel	6.1	4.7

The amounts disclosed in the table above are the amounts recognised as an expense during the reporting period related to key management personnel. The amounts in respect of share based compensation are the IFRS 2 charges. Further information on the remuneration of the Directors and Directors' interests in Ordinary Shares of the Company are disclosed in the Report of the Remuneration Committee on pages 60 to 77.

On 24 March 2014, prior to the IPO, the Company called all the unpaid subscription amounts, totalling £13.2 million, in respect of certain shares issued under the JSOP. In order to facilitate this, the Company made loans to participants of the JSOP and Appleby Trust (Jersey) Limited totalling £5.3 million and £7.9 million, respectively. The loans provided to the participants of the JSOP included loans to key management personnel totalling £4.9 million. As at 31 December 2016, the amount due from key management personnel in respect of these loans was £1.1 million (2015: £3.0 million).

The weighted average subscription price of the JSOP awards was 28 pence. Should the Company's share price fall below the subscription price, on exercise by the employee or on the Company calling the loans, the Company has guaranteed to fund the shortfall.

Key management personnel's interests in the PSP, The JSOP and The EMI Scheme

The outstanding share options and awards held by key management personnel are summarised below:

Issue date	31 December 2016 Number (‘000)	31 December 2015 Number (‘000)	Vesting date	Weighted average threshold/ exercise price (pence)
2011	250	1,935	Up to October 2012	11.5
2013	3,622	7,574	Up to July 2016	60.7
2015	343	450	Up to May 2018	—
2016	678	—	Up to December 2019	—
	4,893	9,959		

Refer to Note 34 for further details about the PSP, The JSOP and The EMI Scheme.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

37. Subsidiaries and associated undertakings

A list of the investments in subsidiaries and associated undertakings, including the name, country of incorporation, principal activity and proportion of voting rights held, is given below:

Name of the undertaking	Registered office	Principal activity	2016	2015
Directly held subsidiary undertakings				
Just Eat Holding Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Holding and management company	100%	100%
JUST EAT Central Holdings Limited ³	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Financing company	100%	100%
Juice Finance (Jersey) Limited		Dissolved	—	100%
Indirectly held subsidiary undertakings				
Just Eat (Acquisitions) Holding Limited ³	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Holding company	100%	100%
Just Eat.co.uk Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Online takeaway portal	100%	100%
Orogo Limited ³	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Online takeaway portal	100%	60%
Nifty Nosh Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
1Epos Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
EatStudent Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
FillMyBelly Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
Meal 2 Go Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
Meal 2 Order.com Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
Urbanbite Holdings Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
Urbanbite Limited	Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom	Dormant	100%	100%
Just Eat (Acquisitions) Pty Limited	L23, 227 Elizabeth Street, Sydney NSW 2000, Australia	Holding company	100%	100%
Menulog Group Limited	L23, 227 Elizabeth Street, Sydney NSW 2000, Australia	Holding company	100%	100%
Menulog Pty Ltd	L23, 227 Elizabeth Street, Sydney NSW 2000, Australia	Online takeaway portal	100%	100%
Eat Now Services Pty Ltd	L23, 227 Elizabeth Street, Sydney NSW 2000, Australia	Online takeaway portal	100%	100%
Just-Eat.ca Management Limited	379 Adelaide Street West, Toronto, Ontario M5V 1S5, Canada	Holding company	100%	100%
Power & Power Inc	379 Adelaide Street West, Toronto, Ontario M5V 1S5, Canada	Holding company	100%	100%
Just Eat Canada Inc.	379 Adelaide Street West, Toronto, Ontario M5V 1S5, Canada	Online takeaway portal	100%	100%
Restaurants on the Go Inc	379 Adelaide Street West, Toronto, Ontario M5V 1S5, Canada	Online takeaway portal	100%	100%
SkipTheDishes Restaurant Services Inc.	136 Market Avenue, Winnipeg, Manitoba R3B 0P4, Canada	Online takeaway portal	100% ¹	—

37. Subsidiaries and associated undertakings *continued*

Name of the undertaking	Registered office	Principal activity	2016	2015
Skip the Dishes Corporation	199 Bay Street, Suite 4,000, Toronto, M5L 1A9, Canada	Online takeaway portal	100%	—
Just-Eat Denmark Holding ApS	Lyngbyvej 20, 2100 København Ø, Denmark	Holding company	100%	100%
Just Eat.dk ApS	Lyngbyvej 20, 2100 København Ø, Denmark	Online takeaway portal	100%	100%
Just Eat Host A/S	Lyngbyvej 20, 2100 København Ø, Denmark	Host servers	100%	100%
FBA Invest SaS	2 ter rue Louis Armand, 75015, Paris, France	Holding company	80%	80%
Eat On Line Sa	2 ter rue Louis Armand, 75015, Paris, France	Online takeaway portal	80%	80%
Just-Eat Ireland Limited	Arthur Cox Building, Earlsfort Terrace, Dublin, Ireland	Online takeaway portal	100%	100%
Eatcity Limited	Arthur Cox Building, Earlsfort Terrace, Dublin, Ireland	Financing company	100%	100%
Meal 2 Go Ireland Limited		Dissolved	—	100%
Just-Eat Italy S.r.l	Via Giosuè Carducci 7, 20123 Milano, Italy	Online takeaway portal	100% ¹	100%
Jeb S.r.l	Via Giuseppe Mercalli 80, 00197 Roma, Italy	Online takeaway portal	100%	100%
Just-Eat.lu S.ar.l.	16, Avenue Pasteur, 2310 Luxembourg, Luxembourg	Financing company	100%	100%
Digital Services LII (GP) S.à.r.l.	20 rue des Peupliers L, 2328 Luxembourg, Luxembourg	Holding company	100%	—
Food Delivery Holding 31 S.à.r.l.	20 rue des Peupliers L, 2328 Luxembourg, Luxembourg	Holding company	100%	—
SinDelantal Mexico SA de CV	Rio Lerma 4–6th floor, Cuauhtemoc, 06500 Mexico City, Mexico	Online takeaway portal	67% ²	100%
Inversiones Hellofood S. de R.L. de C.V.	Rio Lerma 4–6th floor, Cuauhtemoc, 06500 Mexico City, Mexico	Non-trading	67% ²	—
Menulog Limited	PwC, Level 8, 188 Quay Street, Auckland 1010, New Zealand	Online takeaway portal	100%	100%
Just Eat.no As	Sandakerveien 116, 0484 Oslo, Norway	Online takeaway portal	100%	100%
El Cocinero a Cuerdo SL	Calle Río Rosas, 11 3º, 28003 Madrid, Spain	Holding company	67% ²	100%
Just-Eat Spain SLU	Calle Condesa de Venadito, n°1 Planta 2, 28027 Madrid, Spain	Online takeaway portal	100% ¹	100%
Eat.ch GmbH	Werdstrasse 21, 8004 Zürich, Switzerland	Online takeaway portal	100%	100%
Just-Eat Belgie BVBA		Online takeaway portal	—	100%
Just-Eat Benelux BV		Online takeaway portal	—	100%
Associate undertakings				
IF-JE Participações S.A.	Avenida Coronel Silva Teles, N. 977 – 5º andar, Edifício Dahruj Tower, Cambui, Campinas, São Paulo 13024-001, Brazil	Holding company	30%	30%
IF-JE Holdings B.V.	Taurusavenue 105, 2132 LS Hoofddorp, Netherlands	Holding company	33%	—

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

37. Subsidiaries and associated undertakings *continued*

Name of the undertaking	Registered office	Principal activity	2016	2015
Subsidiaries of IF-JE Participações S.A.				
JustEat Holding Participações Ltda.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Holding company	30%	30%
Movile Serviços em Tecnologia Ltda.	Avenida Coronel Silva Teles, N. 977 – 5º andar, Edifício Dahruj Tower, Cambui, Campinas, São Paulo 13024-001, Brazil	Holding company	30%	30%
WH Food Participações Ltda	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Holding company	30%	30%
iFood.com Agência de Restaurantes Online S.A.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Online takeaway portal	30%	30%
Alakarte Agência de Restaurantes Online Ltda.	Rua Coronel Barros, N. 10 – sala 302, São Mateus, Juiz de Fora, Minas Gerais 36025-110, Brazil	Online takeaway portal	30%	30%
Apetitar Agência de Restaurantes Online Ltda.	SHN, Quadra 2, Executive Office Tower, sala 610, Brasília, Distrito Federal 70390-078, Brazil	Online takeaway portal	30%	30%
iFood Agência de Serviços de Restaurantes Ltda.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Online takeaway portal	30%	30%
Just Eat Brasil Serviços Online e Comércio Ltda.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Online takeaway portal	30%	30%
Papa Rango Agência de Restaurantes Online Ltda.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Online takeaway portal	30%	30%
Central do Delivery Ltda.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Dormant	30%	30%
iCall Serviços de Atendimento Ltda.	Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801, Brazil	Dormant	30%	30%
Just Eat Intermediação de Negócios Ltda.	Avenida Queiroz, N. 1700, sala 710, Vila Leopoldina, São Paulo 05319-000, Brazil	Dormant	30%	30%
Come Ya S.A.s	Calle 77a, N. 57-103, Edifício Green Tower, Oficina 806, Barranquilla, Colombia	Online takeaway portal	30%	—
C&G Inversiones S.A.s	Calle 55, N. 28-31, apto 1303, Conjunto Residencial Opus, Bucaramanga, Colombia	Dormant	30%	—

1. During the year, the Group acquired 100 per cent of the share capital in Webs S.r.l ("PizzaBo/hellofood Italy"), Grupo Yamm Comida a Domicilio S.L. ("La Nevera Roja") and SkipTheDishes Newco ("Skip newco"). The Group subsequently merged PizzaBo/hellofood Italy with Just-Eat Italy S.r.l, La Nevera Roja with Just-Eat Spain SLU and Skip newco with SkipTheDishes Restaurant Services Inc.

2. During the year, the Group sold 49 per cent of El Cocinero a Cuerdo SL (which directly holds 100 per cent of SinDelantal Mexico SA de CV and indirectly holds 100 per cent of Inversiones Hellofood S. de R.L. de C.V.) to IF-JE Holdings B.V., an associate undertaking of the Group.

3. For the year ended 31 December 2016, Orogo Limited (registered number: 08214903), JUST EAT Central Holdings Limited (registered number: 09578919) and Just Eat (Acquisitions) Holding Limited (registered number: 09574725) were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of these companies have not required them to obtain an audit of their financial statements for the year ended 31 December 2016.

All entities are incorporated and have the same year end reporting date, with the exception of IF-JE Participações Ltda. and its subsidiaries, which have a 31 March year end.

For all entities, the proportion of voting rights held equated to the proportion of ownership interests held.

38. Events after the balance sheet date

There have been no significant adjusting or non-adjusting events since the balance sheet date.

39. Summary of significant accounting policies**a) Basis of consolidation**

The consolidated financial statements of the Group incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; through currently exercisable or convertible potential voting rights; or by way of contractual agreement. Where necessary, adjustments are made to the financial statements of subsidiaries to align with the Group accounting policies. All intercompany transactions and balances between Group entities, including unrealised profits arising from them, are eliminated upon consolidation.

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the Parent Company and are presented separately within equity in the Consolidated Balance Sheet, separately from equity attributable to owners of the Parent. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

The Group's acquisition-related costs are recognised in profit or loss as incurred and included within exceptional items. Acquisition costs paid on behalf of the vendor are included in the fair value of consideration transferred.

When the consideration for the acquisition includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in the business combination. Where the contingent amount is dependent on future employment, it is recognised as an expense over the relevant period in the income statement. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

39. Summary of significant accounting policies *continued*

b) Business combinations and goodwill continued

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognised at their fair value at the acquisition date, except for certain items which are measured in accordance with the relevant IFRS. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period. Additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill arising in a business combination is recognised as an asset at the date that control is obtained (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

c) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except for when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The Consolidated Income Statement reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value in accordance with IAS 39. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

The aggregate amounts of current and non-current assets and liabilities, revenues and profit before tax are disclosed in Note 16. Where applicable, the aggregate amount of capital commitments and contingent liabilities are also disclosed.

39. Summary of significant accounting policies *continued*

d) Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values. The fair values of financial instruments measured at amortised cost are disclosed in Note 35.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pound sterling, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable or payable to a foreign operation where settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation) which are recognised initially in other comprehensive income and reclassified to profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the monetary assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

39. Summary of significant accounting policies *continued*

f) Revenue recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenues can be reliably measured. Revenues are measured at the fair value of the consideration net of discounts, VAT and other sales-related taxes.

The following criteria must also be met before revenues are recognised:

Commission

Commission revenues earned from restaurants are earned and recognised at the point of order fulfilment to the restaurant's consumers.

Payment card and administration fees

Revenues from payment card and administration fees are recognised when the service is completed, in line with the revenues recognised on commissions. This is the point at which an order is successfully processed and the Group has no remaining transactional obligations.

Top-placement fees

Revenues from top-placement fees are recognised over the period in which the service is rendered.

Connection fees

Our Restaurant Partners pay a one-off fee to join the Just Eat network, which is comprised of an equipment fee and a connection fee. The equipment provided is an order confirmation terminal situated at restaurant sites for the purposes of communicating between end user consumers and restaurants via the central Just Eat ordering infrastructure.

Equipment fees are deferred to the balance sheet and recognised on a straight-line basis over 36 months. This is considered to be an appropriate time period as the fair value of the consideration received or receivable for the equipment. The equipment connection fee revenues are payable on connection but deferred and recognised on a straight-line basis over 12 months.

In addition, our Danish and French based Restaurant Partners pay an annual subscription fee. Revenues in respect of subscription fees are recognised on a straight-line basis over the annual subscription period.

Other revenues

Other revenues include the sale of branded merchandise to our Restaurant Partners. Merchandise revenues are recognised when the goods are delivered and the significant risks and rewards of ownership have transferred to the restaurant. Other revenues also include discounts and vouchers.

g) Operating profit or loss

Operating profit or loss is stated after charging for long-term employee incentive provisions, exceptional items and foreign exchange gains and losses, but before other gains and losses, finance income and finance costs.

h) Exceptional items

Exceptional items are costs (such as M&A transaction and integration costs) or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the financial statements.

i) Other gains and losses

Other gains and losses are comprised of profits or losses arising on the disposal or deemed disposal of operations, gains and losses on financial assets classified as fair value through profit or loss, gains and losses on derivative financial instruments, and movements on provisions for obligations to acquire minority interests. They have been disclosed separately in order to improve a reader's understanding of the financial statements and are not disclosed within operating profit as they are non-trading in nature.

39. Summary of significant accounting policies *continued*

j) Leasing

The Group as lessee

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases. The Group did not have any finance leases in either 2016 or 2015.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

k) Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

l) Taxation

The income tax expense comprises both current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income, in which case the income tax is recognised in other comprehensive income.

Please see Note 40 in respect of the accounting for uncertain tax provisions.

Current tax

Current tax is the expected tax payable on the taxable profit for the year, using tax rates prevailing in each respective jurisdiction and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates that are expected to apply when the temporary differences reverse, based on rates enacted or substantively enacted at the balance sheet date.

Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related deferred tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax deductions on the exercise of share options

Under IAS 12 *Income Taxes*, to the extent that the tax deduction available on the exercise of share options is equal to, or is less than, the cumulative share based payment charge calculated under IFRS 2, current and deferred tax is recognised through the income statement. However, when the tax deduction is greater than the cumulative expense, the incremental current tax deduction and deferred tax recognition are recognised in equity.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

39. Summary of significant accounting policies *continued*

m) Intangible assets other than goodwill

The Group has four classes of intangible asset: patents, licences and intellectual property ("IP"), restaurant contracts, brands and development costs.

Due to both the absence of a contractual arrangement and a practice of establishing such contracts with consumers, acquired consumer/user lists are not classified as an intangible asset and remain as part of goodwill.

Patents, licences and IP

Patents, licences and IP are included at cost and amortised in equal annual instalments over their useful economic life, which is typically three to five years depending on the period over which benefits are expected to be realised from the asset. Provision is made for any impairment.

Restaurant contracts

Restaurant contract intangible assets are recorded as part of a business combination; or when an associate is acquired; or when a joint venture is established. They are initially recorded at fair value and amortised over the useful economic life of the asset on a straight-line basis. This period of time is the period over which the acquired restaurant contracts are reasonably expected to transfer economic benefits to the Group, which is usually between three and ten years. The fair values of restaurant contracts are determined with reference to the present value of their after tax cash flows projected over their remaining useful lives. The cash flows and discount rates used in the valuations are risk adjusted to the extent deemed necessary to accurately reflect local risks and uncertainties associated with the asset.

Brands

Brand intangible assets are recorded as part of a business combination; when an associate is acquired; or when a joint venture is established. They are initially recorded at fair value and amortised over the useful economic life of the asset on a straight-line basis, which is usually between three and ten years. This period of time is the period over which the acquired brand is reasonably expected to transfer economic benefits to the Group. The fair values of brand assets are established using the relief from royalty valuation method. The cash flows and discount rates used in the relief from royalty valuation model are risk adjusted to the extent deemed necessary to accurately reflect local risks and uncertainties associated with the asset.

Development costs

Internally developed websites, apps and other software that together comprise the Just Eat ordering platforms, are capitalised to the extent that costs can be separately identified, the product is technically feasible, expenditure can be measured reliably, and sufficient resources are available to complete the project. Development costs are capitalised and amortised on a straight-line basis over the estimated useful life of the respective product, which is usually three years.

Where these conditions are not met the amounts are expensed as incurred.

n) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	33 per cent per annum
Equipment	33 per cent per annum
Leasehold improvements	20 per cent per annum or the period of the lease if shorter

39. Summary of significant accounting policies *continued*

o) Impairment of assets excluding goodwill

Under IFRS, the Group is required to review for impairment when indicators of impairment exist. On these occasions, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

p) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

q) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short-term deposits and credit card cash received on behalf of Restaurant Partners.

s) Derecognition of financial assets and liabilities

The Group de-recognises a financial asset or liability only when the contractual right that gives rise to it is settled, sold, cancelled or expires.

t) Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign currency exchange risk where there is a firm commitment of a cash inflow or outflow are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 35 sets out details of the derivative instruments used for hedging purposes.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

39. Summary of significant accounting policies *continued*

t) *Hedge accounting continued*

Fair value hedges

The Group did not designate any hedges as fair value hedges during the current or prior years.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of other reserves. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in other gains and losses.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

u) *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefit will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows. The unwinding of any discount is recognised in the income statement within finance expense.

v) *Share based payments*

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value includes the effect of market-based vesting conditions. Details regarding the determination of the fair values of equity-settled share based transactions are set out in Note 34.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

w) *Dividends*

Dividends payable to the holders of the Company's Ordinary Shares and are recognised when they have been appropriately authorised.

40. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 39, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Critical judgements, apart from those involving estimates which are dealt with separately below, are those which management has made in applying the Group's accounting policies and have the most significant effect on the financial statements.

a) Revenue recognition

Revenues derived from connection fees include both a connection fee and an equipment fee.

Equipment fee revenues are deferred to the balance sheet and recognised on a straight-line basis over 36 months. This is considered to be an appropriate time period as the fair value of the consideration received or receivable for the equipment. Judgement is applied in determining the period over which the equipment fee revenues are recognised.

The connection fee revenues are payable on connection but deferred and recognised on a straight-line basis over 12 months. 12 months is considered to be the required period of service. Judgement is applied in determining the period over which the connection fee is earned.

b) Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Judgements are applied in relation to estimations of the number of options that will vest and of the fair value of the options granted to employees. Estimates of fair value are made using a widely recognised share option value model and are referred to third-party experts where necessary.

Judgement is applied in determining the assumptions input into the share option value model. See Note 34 for details of the key assumptions used.

c) Deferred taxation

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Details of the recognised and unrecognised deferred tax assets are included in Note 18.

Notes to the consolidated financial statements *continued*

Year ended 31 December 2016

40. Critical accounting judgements and key sources of estimation uncertainty *continued*

Key sources of estimation uncertainty

Discussed below are the key assumptions regarding the future and other key sources of estimated uncertainty at the balance sheet date which may have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year.

d) Acquired intangible assets

An intangible resource acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, it is expected to generate future economic benefits and its fair value can be measured reliably. The identification of intangible assets acquired as part of business combinations requires judgement. For each business combination the balance of goodwill to other intangible assets is reviewed for appropriateness.

Acquired intangible assets, comprising brands, restaurant contracts and intellectual property, are amortised through the Consolidated Income Statement on a straight-line basis over their estimated economic lives of between three and ten years. Significant judgement is required in determining the fair value and economic lives of acquired intangible assets. External valuations are obtained for significant acquisitions. Details of the intangible assets recognised on acquisition, during the year, are disclosed in Note 31.

e) Impairment of goodwill and intangible assets

The Group's balance sheet includes significant goodwill and other intangible assets. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

Determining whether an asset is impaired requires an estimation of the value-in-use of the CGU to which the asset has been allocated. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to, or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used for the period beyond the three budgets.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 13.

f) Fair value measurement and valuation process

Some of the Group's assets and liabilities are measured at fair value, particularly intangible assets acquired through acquisition and deferred contingent consideration. In estimating fair value, the Group uses market observable and deferred contingent consideration data where available. Where market observable and deferred contingent consideration data is not available, recognised valuation methodologies are used. See Notes 23 and 31 for further details.

g) Taxation

The Group's tax charge is the sum of the total current and deferred tax charges arising in each jurisdiction. As a result of the Group's growing global footprint, the changing global tax environment and income taxes arising in numerous jurisdictions, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The calculation of the Group's total tax charge involves estimation and judgement in respect of certain matters where the tax impact is uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Resolving tax issues can take several years and is not always within the control of the Group. Current tax liabilities are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of funds to a taxing authority. These may be, for example, in respect of enquiries raised and additional tax assessments issued.

Liabilities in respect of uncertain tax positions are measured based on management's interpretation of country-specific tax law and assigning probabilities to the possible likely outcomes and range of taxes payable in order to ascertain a weighted average probable liability. In-house tax experts, professional firms and previous experience are used to help assess the tax risks when determining and recognising such liabilities. See Note 11 for further details.

Where the final amounts payable are different to the liabilities recognised in previous periods the required adjustments in respect of prior years are recorded in the current period in the income statement, or directly to equity, as appropriate.

Company balance sheet

As at 31 December 2016

	Notes	As at 31 December 2016 £m	As at 31 December 2015 £m
Non-current assets			
Investments in subsidiaries	42	581.8	573.7
		581.8	573.7
Current assets			
Cash and cash equivalents		0.1	—
Trade and other receivables	43	21.8	25.8
		21.9	25.8
Total assets		603.7	599.5
Current liabilities			
Trade and other payables		(0.1)	—
Net current assets		21.8	25.8
Net assets		603.6	599.5
Equity			
Share capital	25	6.8	6.8
Share premium account	26	562.2	555.5
Retained earnings	45	34.6	37.2
Total equity		603.6	599.5

The Company's reported loss for the year ended 31 December 2016 was £5.4 million (2015: £3.0 million profit).

The Company financial statements on pages 135 to 138 were authorised for issue by the Board of Directors and signed on its behalf by:



David Buttress
Chief Executive Officer



Paul Harrison
Chief Financial Officer

Just Eat plc
6 March 2017

Company registration number
06947854 (England and Wales)

Company statement of changes in equity

Year ended 31 December 2016

	Notes	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
1 January 2015		5.7	120.5	31.6	157.8
Profit for the year		—	—	3.0	3.0
Total comprehensive income		—	—	3.0	3.0
Issue of capital (net of costs)	25, 26	1.1	434.5	—	435.6
Exercise of options	26	—	0.5	—	0.5
Share based payment charge	34	—	—	2.6	2.6
31 December 2015		6.8	555.5	37.2	599.5
Loss for year		—	—	(5.4)	(5.4)
Total comprehensive income		—	—	(5.4)	(5.4)
Issue of capital (net of costs)	25, 26	—	6.2	—	6.2
Exercise of share options	26	—	0.5	—	0.5
Share based payment charge	34	—	—	2.8	2.8
31 December 2016		6.8	562.2	34.6	603.6

Company cash flow statement

Year ended 31 December 2016

	Note	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Operating loss for the year		(5.0)	(2.8)
<i>Adjustments for:</i>			
Facility fee and interest paid		(0.9)	(0.7)
Non-cash long-term employee incentive costs		0.9	0.6
Non-cash other items		—	(0.5)
Decrease in receivables		5.2	125.5
Decrease in payables		(0.1)	(0.2)
Net cash from operating activities		0.1	121.9
Investing activities			
Interest received		—	6.3
Net cash outflow on investment in subsidiaries		—	(434.0)
Repayment of intercompany loan		—	(131.0)
Net cash used in investing activities		—	(558.7)
Financing activities			
Net proceeds from placing and open offer	25	—	435.6
Proceeds from sale of shares by the employee benefit trust		—	0.5
Proceeds arising on exercise of options		—	0.6
Net cash from financing activities		—	436.7
Net increase in cash and cash equivalents		0.1	—
Cash and cash equivalents at beginning of year		—	—
Net cash and cash equivalents at end of year		0.1	—

Notes to the Company financial statements

Year ended 31 December 2016

41. Significant accounting policies

Basis of accounting

The Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations as endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, and therefore comply with Article 4 of the IAS Regulation and IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which have been measured at fair value. In accordance with the exemption allowed under section 408(3) of the Companies Act 2006, the Company has not presented its own income statement and statement of comprehensive income. The Company has applied the same accounting policies as the Group as defined in Note 39. These policies have been consistently applied to all years presented.

The Company's risk management policies relating to credit risk, market risk, capital risk and liquidity risk are detailed in Note 35.

42. Investments in subsidiaries

The carrying value of the Company's subsidiaries and associates at 31 December 2016 was as follows:

	2016 £m	2015 £m
At 1 January	573.7	6.7
Additions	8.1	567.0
At 31 December	581.8	573.7

The Company's operating subsidiaries, directly owned by the Company, are disclosed in Note 37.

The investments in subsidiaries are all stated at cost less cumulative impairment losses.

43. Trade and other receivables

	2016 £m	2015 £m
Amounts owed by subsidiary undertakings	10.4	14.0
Other receivables	11.4	11.8
Total trade and other receivables	21.8	25.8

At 31 December 2016, other receivables of £11.4 million (2015: £11.8 million) included amounts due from the EBT Trustee of £8.3 million (2015: £8.3 million) and loans made to the participants of the JSOP of £1.7 million (2015: £3.5 million). The carrying amounts of these assets approximate their fair value. There are no overdue or impaired receivable balances (2015: £nil).

44. Related party transactions

Compensation of key management personnel of the Company

	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Short-term employee benefits	2.7	1.8
Post-employment pension	—	—
Share based compensation	0.9	0.9
Total compensation of key management personnel	3.6	2.7

Notes to the Company financial statements *continued*

Year ended 31 December 2016

44. Related party transactions *continued*

Compensation of key management personnel of the Company continued

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The amounts in respect of share based compensation are the IFRS 2 charges. Key management personnel are members of the Board. The two executive members of the Board were the only employees of the Company (2015: two). Further information on the remuneration of the Directors and Directors' interests in Ordinary Shares of the Company are disclosed in the Report of the Remuneration Committee on pages 60 to 77.

On 24 March 2014, prior to the IPO, the Company called all the unpaid subscription amounts, totalling £13.2 million, in respect of certain shares issued under the JSOP. In order to facilitate this, the Company made loans to participants of the JSOP and Appleby Trust (Jersey) Limited totalling £5.3 million and £7.9 million, respectively. The loans provided to the participants of the JSOP included loans to key management personnel totalling £3.0 million. As at 31 December 2016, the amount due from key management personnel in respect of these loans was £1.0 million (2015: £2.3 million).

The weighted average subscription price of the JSOP awards was 28 pence. Should the Company's share price fall below the subscription price, on exercise by the employee or on the Company calling the loans, the Company has guaranteed to fund the shortfall.

Key management personnel's interests in the share schemes

The outstanding share options and awards held by key management personnel are summarised below:

Issue date	31 December 2016 Number ('000)	31 December 2015 Number ('000)	Vesting date	Weighted average threshold/ exercise price (pence)
2011	233	1,299	Up to October 2012	12.0
2013	2,899	5,769	Up to July 2016	62.0
2015	96	149	Up to April 2018	—
2016	346	—	Up to December 2019	—
	3,574	7,217		

Refer to Note 34 for further details about the Group's share options and award schemes.

45. Retained earnings

	As at 31 December 2016 £m	As at 31 December 2015 £m
At 1 January	37.2	31.6
(Loss)/profit attributable to owners of the Company	(5.4)	3.0
Share based payment charge	2.8	2.6
At 31 December	34.6	37.2

Directors' report

The Directors have pleasure in presenting their Annual Report and audited financial statements of the Company and the Group for the year ended 31 December 2016.

The Directors' Report contains certain statutory, regulatory and other information and incorporates, by reference, the Strategic Report and the Corporate Governance Report included earlier in this document.

Strategic Report

A fair review of the Group's performance during the period and of its position at the period end, including commentary on its likely future development and prospects, is set out in the Strategic Report on pages 4 to 39, while information on principal risks and uncertainties and key performance indicators is given on pages 20 to 23 and page 19, respectively. All this information should be read in conjunction with this report. The Corporate Governance Report, including the Directors' Remuneration Report, on pages 60 to 77, summarises the Company's governance and Directors' remuneration arrangements. Our people and community report on pages 36 to 39 summarises the Group's approach to diversity, health and safety, environmental matters and community matters. All these sections form part of this Directors' Report, into which they are incorporated by reference.

Results and dividends

The audited financial statements of the Group and of the Company for the period under review are set out on pages 85 to 134 and pages 135 to 138, respectively. The Company intends to retain its earnings to expand the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future.

2017 Annual General Meeting ("AGM")

An explanation of the resolutions to be proposed at the AGM, and the recommendation of Directors in relation to these, is included in the circular to shareholders accompanying this Annual Report. Resolutions regarding the authority to issue shares are commented upon later in this report under share capital.

The Company's AGM will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED at 9.30am on 27 April 2017.

Research and development

We continue to dedicate resources to the development of new technologies, in order to improve the consumer experience and enhance our offering to our Restaurant Partners. Expenses incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that these costs can be measured reliably.

Change of control

In the event of a takeover, a scheme of arrangement (other than a scheme of arrangement for the purposes of creating a new holding company) or certain other events, unvested Executive Director and employee share awards may in certain circumstances become exercisable. Such circumstances may, although do not necessarily, depend on the achievement of performance conditions or the discretion of the Remuneration Committee. The Company does not have any agreements with any Director or officer of the Company that would provide compensation for loss of office or employment resulting from a takeover.

The Group has facility agreements in place with its bank lenders which contain provisions giving those lenders certain rights on a change of control of the Company.

Save as otherwise disclosed above, there are no other significant agreements to which the Company is a party to that take effect, alter or terminate upon a change of control following a takeover bid.

Financial instruments

Our risk management policies relating to credit risk, market risk, capital risk and liquidity risk are detailed within Note 35 of the notes to the financial statements on pages 117 to 120. In addition, the overall risk framework and strategy for the Group is included within the Strategic Report on pages 4 to 39.

Employment of disabled persons

Our policy in respect of the employment of disabled persons is set out in our people and community report on page 38.

Employee consultation

Details of employee consultation are set out in our people and community report on page 37.

Directors' report *continued*

Substantial shareholdings

At 6 March 2017, the Company had been notified in accordance with the Disclosure and Transparency Rules of the UK Listing Authority, or was aware, that the following held, or were beneficially interested in, 3 per cent or more of the Company's shares at that date:

	Number of Ordinary Shares	% of voting rights ¹
The Sara Marron Discretionary Settlement (the "SM Trust") ²	121,972,442	17.98
Deutsche Bank AG ³	40,776,578	6.02
Wellington Management Group LLP	34,046,995	5.03
Old Mutual Plc ³	33,149,472	4.89
Munch S.A.R.L.	25,408,291	3.74

1. Total voting rights attached to the issued share capital of the Company comprising 678,516,011 Ordinary Shares each of £0.01 nominal value, being the 678,516,011 Ordinary Shares in issue at 6 March 2017.

2. STM Fidecs Trust Company Limited is the holder of registered legal title to the Ordinary Shares beneficially owned by the SM Trust.

3. As at 31 December 2016:

- Deutsche Bank AG held 40,507,540 shares representing 5.98 per cent of the voting rights in the Company at that time.
- Old Mutual plc held 42,514,729 shares representing 6.28 per cent of the voting rights in the Company at that time.
- BlackRock Inc held 44,937,970 shares representing 6.63 per cent of the voting rights in the Company at that time.

The Company received no notifications of interests indicating a different whole percentage holding at 31 December 2016 other than as shown in the footnotes to the table above.

Directors

The Directors of the Company who served throughout the period and up to the date of signing this Annual Report (except where noted) were:

- Dr John Hughes (Chairman) CBE, Hon DSc;
- David Buttress (CEO);
- Paul Harrison (CFO) (appointed 26 September 2016);
- Gwyn Burr;
- Frederic Coorevits;
- Roisin Donnelly (appointed 17 October 2016);
- Andrew Griffith;
- Diego Oliva;
- Mike Wroe (CFO) (resigned 26 September 2016);
- Benjamin Holmes (resigned 1 March 2016); and
- Michael Risman (resigned 1 March 2016).

Certain key matters in connection with the Directors are shown below:

- The business of the Company is managed by its Directors, who may exercise all powers of the Company subject to the Articles of Association and UK legislation. Directors of the Company are appointed either by the Board or by shareholders under the Company's Articles of Association and may resign or be removed in a similar manner.
- Biographical details of the current Directors are set out on pages 42 and 43. The Directors' interests in the Ordinary Share capital of the Company and any interests known to the Company of their connected persons are set out in the Report of the Remuneration Committee commencing on page 60.
- The Company has made qualifying third-party indemnity provisions for the benefit of its Directors in relation to certain losses and liabilities that they may incur in the course of acting as Directors of the Company, its subsidiaries or associates, which remain in force at the date of this report. No member of the Board had a material interest in any contract of significance with the Company or any of its subsidiaries at any time during the year, except for their interests in shares and in share awards and under their service agreements and letters of appointment disclosed in the Report of the Remuneration Committee commencing on page 60.

Share capital

Certain key information relating to the Company's shares is shown below:

- The Company's shares at the year end comprised entirely Ordinary Shares of £0.01 each, which rank equally in all respects.
- The rights attached to the shares, in addition to those conferred on their holders by law, are set out in the Company's Articles of Association. The Company's Articles of Association may only be amended by a special resolution of the shareholders.
- There are no restrictions on the transfer of shares or on the exercise of voting rights attached to them, except: (i) where the Company has exercised its right to suspend their voting rights or to prohibit their transfer following the omission of their holder, or any person interested in them, to provide the Company with information requested by it in accordance with Part 22 of the Companies Act 2006 (the "Act"); or (ii) where their holder is precluded from exercising voting rights by the FCA's Listing Rules or the City Code on Takeovers and Mergers.
- The Group operates employee share plans as set out in the Report of the Remuneration Committee commencing on page 60 and in Note 34 of the financial statements.

Share capital continued

- Shares held by the EBTs abstain from voting.
- Save as described above, shares acquired through the Company's employee share plans rank *pari passu* with shares in issue and have no special rights.
- During the year, the Company issued 1,046,601 Ordinary Shares at a price of 574.13 pence per share, in connection with its acquisition of SkipTheDishes. These shares were admitted to the London Stock Exchange's main market on 20 December 2016.
- At the year end, the Company had authority exercisable by the Directors to issue up to 447,660,593 shares subject to certain restrictions. The Company will seek to renew its authority to issue shares at the 2017 AGM.
- At the AGM on 27 April 2016, shareholders granted the Company limited authority to make market purchases of up to 10 per cent of the Company's issued share capital. This is a standard authority which many listed companies maintain and which the Company has no current intention of utilising, however, it will seek to renew this authority again at the 2017 AGM.
- Save as described under the Board Representation Agreement described below, the Company is not aware of any agreements or control rights between shareholders that may result in restrictions on the transfer of securities or on voting rights.

Further information regarding the Company's share capital, including the changes to this during the year, is set out in Note 25 of the financial statements.

Board Representation Agreement

At the time of the Company's IPO in April 2014, the SM Trust, Index Ventures and Vitruvian Partners entered into an agreement (the "Agreement") with the Company which entitles each such shareholder party and their respective permitted transferees (together the "Shareholder Parties" and each a "Shareholder Party") to appoint one Director to the Board of the Company.

The initial appointees were Frederic Coorevits (SM Trust appointee), Benjamin Holmes (Index Ventures appointee) and Michael Risman (Vitruvian Partners appointee). The Agreement states that this entitlement shall lapse in respect of a Shareholder Party and such Shareholder Party shall procure that its appointee will resign:

- during the period commencing on the date of the agreement and expiring on the date falling two years thereafter or, if later, the date of the Company's AGM held in 2016 (the "Initial Period"), if:

- that Shareholder Party ceases to hold at least 5 per cent of the Ordinary Shares; or
 - on the occurrence of the Company's AGM held in 2016, such Shareholder Party has ceased at any time during the Initial Period to hold at least 10 per cent of the Ordinary Shares; and
- (b) at any time following the Initial Period, where that Shareholder Party does not hold at least 10 per cent of the Ordinary Shares.

Each Shareholder Party has also agreed not to propose the appointment of a further Board representative or vote against the election or re-election of a person the Board has put forward for election or re-election as a Director of the Company.

Following the reductions in their respective Shareholder Party holdings in Ordinary Shares in the Company and the subsequent resignations of Michael Risman and Benjamin Holmes from the Board on 1 March 2016, this Agreement has now lapsed in respect of Board appointee entitlement for both Vitruvian Partners and Index Ventures. Frederic Coorevits remains a Board appointee on behalf of SM Trust and will remain so until he steps down or the Agreement lapses for one of the reasons stated above.

Corporate governance

The Company is committed to high standards of corporate governance. Its application of the principles of good governance in respect of the UK Corporate Governance Code for the period under review is described in the Corporate Governance Report on pages 40 to 41.

The Directors' responsibility statement in respect of this Annual Report and the financial statements appears on page 143.

Tax governance and risk management

The Company is committed to high standards of tax governance. The Group's tax strategy is due to be published on the Company's website within the legislated timetable later this year.

Going concern

The Company's statement with regard to the going concern basis for preparing the financial statements is included in Principal risks and uncertainties on page 21.

Political donations

The Company did not make any political donations during the year.

Directors' report *continued*

Greenhouse gas emissions

This section has been prepared in accordance with our regulatory obligation to report greenhouse gas emissions pursuant to Section 7 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The table below shows our emissions performance for the years ended 31 December 2014, 2015 and 2016. Our 2016 emissions disclosure has been independently verified by Carbon Credentials against the ISO 14064-3 standard.

GHG source	2016	2015	2014
Scope 1 combustion of fuel and operation of facilities (tCO ₂)	1,088	1,026	1,154
Scope 2 (location-based) – electricity (tCO ₂)	802	627	1,058
Scope 2 (market-based) – electricity (tCO ₂)	910	n/a	n/a
Scope 3 business travel (tCO ₂)	2,306	771	432
Total Scope 1, 2 & 3 emissions (location-based)	4,196	2,424	2,644
tCO₂e per £m (Scope 1, 2 & 3 emissions (location-based))	11.2	9.8	16.8

Scope 1 comprises vehicle emissions in relation to operational visits to restaurants.

Scope 2 comprises our energy consumption in buildings.

Scope 3 comprises other business travel.

Data notes:

- We quantify and report our organisational greenhouse gas emissions in alignment with the WRI's Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.
- Emissions from the consumption of electricity outside of the UK are reported in tCO₂ rather than tCO₂e since the International Energy Agency emission factors for electricity currently account for carbon dioxide emissions only.
- This year we have calculated our Scope 2 emissions using the location-based and market-based methods. Under the location-based method, we have utilised the UK Government and the International Energy Agency country-specific emission factors for electricity generation. Under the market-based method, for our European operations, we have utilised the residual mix electricity emission factor published by RE-DISS as we have been unable to obtain tariff specific emission factors from our suppliers, and for all non-European suppliers we have utilised the location-based grid electricity emission factors as residual emission factors have yet to be calculated outside of Europe. This approach is in line with the data hierarchy outlined in the GHG Protocol Scope 2 Guidance.
- In line with previous years we have presented our total emissions in relation to revenues, in order to represent how our emissions are impacted by the growth in the business.

Performance

Emissions have increased by 73 per cent which is largely due to the continued growth of the business, particularly in our markets outside the UK. In addition, M&A and integration activities such as the acquisition of Menulog in June 2015, the acquisition of businesses in Italy, Spain and Mexico in 2016 and an increase in emissions from our leased vehicles resulting from increased sales activity have contributed to the increase. The sale of the Group's business in Benelux would not have had a material impact on total emissions given its size relative to the remaining Group.

Related party transactions with Directors

Please refer to Note 36 for details of transactions entered into with related parties.

Overseas branches

The Company has no branches outside the UK.

Events after the balance sheet date

There have been no significant adjusting or non-adjusting events since the balance sheet date.

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. UK company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with IFRS, as adopted by the European Union. Under UK company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 (the "Act") and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed on pages 42 to 43, confirm that, to the best of each person's knowledge and belief:

- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's performance, business model and strategy;

- the Company and Group financial statements, which have been prepared in accordance with IFRS, as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the Parent Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to the auditor

Each of the Directors of the Company at the time when this report was approved confirms that:

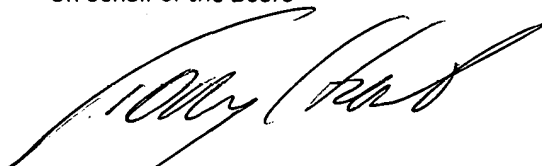
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given in accordance with section 418(2) of the Act.

Auditor

Deloitte LLP, the Group's auditor, has indicated its willingness to continue in office and, on the recommendation of the Audit Committee and in accordance with section 489 of the Act, a resolution to reappoint it will be put to the 2017 AGM.

On behalf of the Board



Tony Hunter
Company Secretary
6 March 2017

Glossary of terms

Adjusted earnings per share – profit attributable to the holders of Ordinary Shares in the Parent, before long-term employee incentive costs; exceptional items; other gains and losses; foreign exchange gains and losses; amortisation of acquired intangible assets; and the tax impact of these adjusting items, divided by the weighted average number of shares outstanding during the period.

Active users – those consumers that have placed at least one order in the last 12 months.

Admission – the admission of the Ordinary Shares to the High Growth Segment of the Main Market of the London Stock Exchange which occurred on 8 April 2014. On 6 May 2014, the Group transitioned to the Premium Listing Segment of the Official List of the UK Financial Conduct Authority.

AFS – available for sale.

AGM – the Annual General Meeting of the Company, which will be held on 27 April 2017 at 9.30am at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

AOV – average order value.

Average revenue per order ("ARPO") – calculated as order driven revenues divided by the number of orders.

Articles – the Articles of Association of the Company.

Associates or associated undertakings – (from 14 November 2013) Achindra Online Marketing Private Limited, the Group's Indian joint venture which was disposed of on 14 January 2015, and (from 3 November 2014) IF-JE Participações Ltda, the Group's Latin American associated undertaking.

Benelux – the Group's former operations in Belgium and The Netherlands.

Board – the Board of Directors of Just Eat plc.

CGU – cash-generating unit.

CMA – Competition and Markets Authority.

Companies Act – the Companies Act 2006 (as amended).

Company – Just Eat plc, a company incorporated in England and Wales with registered number 06947854 whose registered office is at Masters House, 107 Hammersmith Road, London W14 0QH.

Consumer – end users of the Just Eat websites and apps, who use them to place orders online.

Corporate website – www.justeatplc.com.

CSOP – the Just Eat Company Share Option Plan.

Directors – the Directors of the Company whose names are set out on pages 42 and 43.

Disclosure and Transparency Rules – the Disclosure and Transparency Rules made under Part VI of the Financial Services and Markets Act 2000 (as amended).

EBITDA – earnings before finance income and costs, taxation, depreciation and amortisation.

EBT – the Employee Benefit Trust, which is administered by Appleby Trust (Jersey) Limited.

eCRM – electronic customer relationship marketing.

EMI Scheme – the Just Eat Enterprise Management Incentive Scheme.

EPS – earnings per share.

ESOS – employee share option scheme.

ETR – effective tax rate.

Exceptional items – items that, by virtue of their nature and incidence, have been disclosed separately in order to draw them to the attention of the reader of the financial statements.

Executive Directors – David Buttress and Paul Harrison (since 26 September 2016, and Mike Wroe before that date).

Executive Team – The Executive Directors, Adrian Blair (Chief Operating Officer), Graham Corfield (UK Managing Director), Barnaby Dawe (Chief Marketing Officer), Fernando Fanton (Chief Product and Technology Officer) and Lisa Hillier (Chief People Officer).

FBA – FBA Invest SaS, the Group's French subsidiary which trades as ALLORESTO.fr, through its subsidiary Eat On Line Sa.

FRC – the Financial Reporting Council.

Full time equivalent ("FTE") – the number of employees after factoring in reduced hours worked by part time staff.

FVTPL – fair value through profit or loss.

GHG – greenhouse gases.

Group – Just Eat plc and its subsidiary undertakings (as defined by the Companies Act 2006).

HMRC – Her Majesty's Revenue & Customs.

IAS – International Accounting Standard(s).

IF-JE – IF-JE Participações Ltda, the Group's Latin American associated undertaking.

IF-JE NL – IF-JE Holdings B.V., the Group's associated undertaking that holds a 49 per cent stake in our Mexican business. This associate is 67 per cent owned by Movile.

IFRS – International Financial Reporting Standard(s) as adopted for use in the European Union.

IFRS IC – International Financial Reporting Standards Interpretations Committee.

IP – intellectual property.

IPO – initial public offering of the Company's Ordinary Shares immediately post-admission on 8 April 2014.

Just Connect Terminal ("JCT") – mobile network technology provided to Restaurant Partners, which enables them to receive orders from Just Eat.

Just Eat – the Group or Just Eat plc and its subsidiary undertakings (as defined by the Companies Act 2006).

JSOP – the Just Eat Joint Share Ownership Plan.

KPI – key performance indicator.

Menulog – Menulog Group Limited and its subsidiary undertakings, which include the Group's operations in Australia and New Zealand.

Mobile device – any or all of: smartphones, tablets and any other handheld computing device.

Movile – Movile Mobile Commerce Holding S.L.

Non-executive Directors – the Non-executive Directors of the Company designated as such on pages 42 and 43.

Orderpad – internet connected Android tablet provided to Restaurant Partners, which enables them to receive orders and provide order tracking to consumers.

Ordinary Shares – the Ordinary Shares with a nominal value of £0.01 each in the share capital of the Company.

R&D – research and development.

Restaurant Partner – any restaurant signed up to Just Eat, offering either delivery or collection services via the Just Eat websites or apps.

Shareholder – a holder for the time being of Ordinary Shares of the Company.

SinDelantal – SinDelantal Mexico S.A. de C.V., the Group's Mexican subsidiary.

SIP – the Just Eat Share Incentive Plan.

The Code – the UK Corporate Governance Code published by the FRC in September 2014.

TSR – total shareholder return – the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional shares.

Underlying EBITDA – the main measure of profitability used by management to assess the performance of the Group's businesses. It is defined as earnings before finance income and costs; taxation; depreciation and amortisation ("EBITDA") and additionally excludes the Group's share of depreciation and amortisation of associates; long-term employee incentive costs; exceptional items; foreign exchange gains and losses; and other gains and losses (being profits or losses arising on the disposal and deemed disposal of operations, and gains and losses on financial assets held at fair value).

At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements and incorporates an allocation of Group technology and central costs (both of which net out on a consolidated level).

VAT – UK value added taxation.

Company information

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Tony Hunter

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Banker
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Brokers
Goldman Sachs International
J.P. Morgan Securities plc

Solicitors
Linklaters LLP
Taylor Wessing LLP
Bird & Bird LLP

Just Eat plc is committed to the environmental issues reflected in this Annual Report. The report is printed on Arcoprint, which is FSC® certified and ECF (Elemental Chlorine Free).

Printed in the UK by Park Communications using their environmental printing technology. Both manufacturing mill and the printer are registered to the Environmental Management System ISO14001 and are Forest Stewardship Council® (FSC) chain-of-custody certified.

Board photography: Matt Leete

Five-year summary

The following tables sets out a summary of selected audited key financial information for the Group.

Summary income and cash flow statements

	Year ended 31 December				
	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Revenues	375.7	247.6	157.0	96.8	59.8
Underlying EBITDA	115.3	59.7	32.6	14.1	2.3
Profit/(loss) before tax	91.3	34.6	57.4	10.2	(2.6)
Net profit/(loss) for the year	71.4	23.0	51.8	6.8	(4.5)
Adjusted basic earnings/(loss) per share (pence)	12.2	6.6	4.2	1.4	(0.3)
Net cash inflow from operating activities	97.0	74.2	38.1	19.2	10.1
Net cash outflow used in investing activities	(167.5)	(465.5)	(19.3)	(7.7)	(3.1)
Net cash inflow from financing activities	2.3	425.1	84.2	—	35.1
Net (decrease)/increase in cash and cash equivalents	(68.2)	33.8	103.0	11.5	42.1

Summary balance sheet

	As at 31 December				
	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Net assets	825.7	625.9	183.8	53.6	46.5
Net cash and cash equivalents	130.6	192.7	164.1	61.6	50.0

The following table sets out a summary of selected key performance indicators for the Group.

Key performance indicators

	Year ended 31 December				
	2016	2015	2014	2013	2012
Orders (millions)	136.4	96.2	61.2	40.2	25.3
ARPO (£)	2.59	2.35	2.29	2.11	2.00

	As at 31 December				
	2016	2015	2014	2013	2012
Active users (millions)	17.6	13.4	8.1	5.9	4.1
Restaurant Partners ('000)	68.5	61.5	45.7	36.4	29.9

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