GREENCORE GROUP PLC
INTERIM RESULTS
Strong performance driven by food to go businesses

Greencore Group plc, a leading international convenience food producer, today announces its unaudited interim results for the 26 weeks ended 28 March 2014

FINANCIAL HIGHLIGHTS

- Group revenue of £619.8m, up 8.2% (as reported) and up 9.3% on a like for like[1] basis
- Convenience Foods like for like[1] revenue growth of 9.6%
- Group operating profit[2] up 14.0% to £37.2m
- Strong growth in adjusted EPS[3], up 18.6% to 7.0 pence
- Interim dividend of 2.20 pence per share, an increase of 15.8% versus H1 13
- Net exceptional charge of £12.6m, of which £10.0m relates to non-cash items

STRATEGIC DEVELOPMENTS

- Further build out of US food to go business with the acquisition of Lettieri's LLC ("Lettieri's"), investment in Jacksonville and announcement of new site construction in Rhode Island
- Announcement today of major investment in Northampton food to go facility to facilitate new business win
- Disposal of foodservice desserts business, Ministry of Cake

SUMMARY FINANCIAL PERFORMANCE

	H1 14 (£m)	Change (as reported)	Change (like for like[1])
Group revenue	619.8	+8.2%	+9.3%
Group operating profit[2]	37.2	+14.0%	
Group operating margin[2]	6.0%	+30 bps	
Adjusted PBT[3]	30.7	+20.5%	
Adjusted EPS (pence)[3]	7.0	+18.6%	
Net debt	257.9	+£25.1m	
Convenience Foods Division			
Revenue	587.9	+8.4%	+9.6%
Operating profit[2]	35.9	+14.9%	
Operating margin[2]	6.1%	+30 bps	

Patrick Coveney, Chief Executive Officer, commented:
"The business delivered a strong first half performance, driving 18.6% EPS growth. Our strategy of focusing on the food to go market is working well in both the UK and the US. Over the past six months we have stepped up our strategic investments in Minneapolis, Jacksonville, Rhode Island and Northampton to support confirmed new business with several large customers. These investments, as well as the strong trading momentum that we are seeing across our Group, have left us well positioned for further growth in the months and years ahead."

[1] References to like for like ("LFL") revenue growth exclude the desserts activity which was sold to Müller Dairy UK in January 2013, Lettieri's revenue since acquisition and are expressed in constant currency
[2] Operating profit and margin are stated before exceptional items and acquisition related amortisation. Operating profit and financing for H1 13 have been restated to reflect the impact of IAS19 (Revised 2011): Employee Benefits ("IAS19 (Revised)")
[3] Adjusted PBT and adjusted earnings measures are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances, and the movement in the fair value of all derivative financial instruments and related debt adjustments. H1 13 comparatives have been restated to reflect the impact of IAS19 (Revised)
[4] Market / category growth rates are based on Nielsen data for the 26 weeks to 29 March 2014

Presentation
A presentation of the interim results will be held for analysts and institutional investors at 8.30am today at Jefferies, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ.

This presentation can be accessed live through the following channels:
- Webcast – details on www.greencore.com
- Conference call

Ireland number:	+353 1 247 6528
UK number:	+44 20 3427 1903
Pass code:	8332131

A replay of the presentation will be available on www.greencore.com. It will also be available through a conference call replay facility which will be available for one week – to dial into the replay:-

Ireland replay number:	+353 1 486 0902
UK replay number:	+44 20 3427 0598
Replay code:	8332131

For further information, please contact:

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About Greencore
- A leading manufacturer of convenience food in the UK and the US
- Strong market positions in the UK convenience food market across food to go, chilled prepared meals, chilled soups and sauces, ambient sauces & pickles, cakes & desserts and Yorkshire Puddings
- A fast growing food to go business in the US, serving both the convenience and small store channel and the grocery channel

SUMMARY

Strategic Development[1] – Food to Go Focus

The vision and strategy of Greencore is to be a fast growing international convenience food leader. We have chosen to focus on food to go, supplemented by strong positions in other attractive convenience food categories, in order to capitalise on favourable, long-term consumer and channel trends. This strategy is bearing fruit, and H1 14 has seen strong food to go led growth and further significant development in line with our vision.

In the UK, our food to go business has maintained the strong revenue momentum seen in Q4 13. We are today announcing a multi-year investment of £30m in our Northampton facility to service a new business award in the chilled sandwich category and to underpin specific future growth opportunities with the same customer.

In the US, following the commencement of supply to a major new customer in FY13, the Group has announced three further developments during H1 14:

- the acquisition of Lettieri's, a leading manufacturer of frozen food to go products for the convenience channel;
- an investment of approximately £6m in the Jacksonville facility to manufacture frozen food to go products supporting a key customer; and
- the construction of a greenfield sandwich manufacturing facility in Rhode Island for £20m which will facilitate the closure of existing leased sites in Newburyport and Brockton, Massachusetts.

The UK and US food to go businesses combined have delivered excellent like for like revenue growth in the half of 18.9%. In addition, both the UK Prepared Meals and Grocery businesses have delivered steady performances during the period against the backdrop of extremely competitive grocery market conditions.

We continue to focus our portfolio further and today announce the disposal of our foodservice desserts business, Ministry of Cake for upfront cash consideration of £8m and deferred consideration of up to £3m.

Financial and Operating Performance[1, 2,3]

Whilst the UK grocery market overall remains challenging, our portfolio of products has benefitted from the high rate of new convenience store openings by the major retailers. This factor, coupled with increasing employment and a milder winter, led to strong revenue growth in the half. Reported Group revenue increased in the period by 8.2% to £619.8m with like for like revenue growth in the Convenience Foods division of 9.6%. Operating profit conversion was strong with Group operating profit up 14.0% and Convenience Foods divisional operating profit 14.9% higher than in the prior year. Adjusted earnings per share were 18.6% higher at 7.0 pence as a result of the growth in operating profit combined with lower year-on-year financing costs.

Interim Dividend

The Board of Directors is announcing an interim dividend of 2.20 pence per share, an increase of 15.8% versus H1 13. It remains the Board's intention to increase the total dividend distribution for the financial year in line with the growth in adjusted earnings per share.

OUTLOOK

The Group has delivered a strong first half outperforming a buoyant food to go market in the UK and benefitting from the first full year of supply to a major new customer in the US. Although economic conditions are steadily improving, the UK grocery market is facing continued pressure and uncertainty. While input cost inflation remains variable across major spend categories, we have seen a moderation and now expect inflation to average around 2% for the year. Notwithstanding the strong comparator period, we expect to deliver good revenue growth in H2 14 and remain confident in our ability to deliver adjusted EPS growth for the financial year in line with market expectations.

OPERATING REVIEW [1,2,3,4]

Convenience Foods

	H1 14 £m	H1 13 £m	Change (As reported)	Change (Like for like)
Reported Revenue	587.9	542.1	+8.4%	+9.6%
Operating profit	35.9	31.3	+14.9%	
Operating margin	6.1%	5.8%	+30 bps	

Reported revenue in the Convenience Foods division increased by 8.4% in the period to £587.9m. On a like for like basis, revenue was 9.6% ahead with the UK up by 7.9% and the US ahead by 25.7%. Growth in both the UK and US was driven by food to go products which benefitted from the strongly performing convenience channel. Operating profit increased by 14.9% to £35.9m driven by both strong growth and continued underlying performance improvement in lower margin activities.

UK Convenience Foods

Food to Go
The UK Food to Go business represents approximately 40% of Convenience Foods revenues and comprises sandwiches, sushi, snack and side of plate salads.

The sandwich category experienced robust growth in the period of 12.0% while the broader food to go market (sandwiches, salads and sushi) grew by 9.4%. The strong category growth was driven by the rate of opening of smaller convenience stores, increasing employment, a milder winter and positive mix with strong growth in premium sandwiches.

The Food to Go business outperformed the market with revenue growth of 17.2%. This outstanding performance was driven by investment in significant relaunch activity with several key customers and net listing gains.

Prepared Meals
The Prepared Meals business comprises chilled ready meals, quiches, chilled soup and chilled sauces. The chilled ready meals market grew by 0.9% in the period, while the Italian ready meals market, our principal sub-category, grew by 2.8%. Category growth was weighted towards the second quarter which was impacted in the previous year by the horsemeat scandal. The quiche market grew by 3.4% in the period while the soup market declined by 6.9% given a milder winter than the prior year.

Revenue in the Prepared Meals business was 0.3% higher than in H1 13 with an improving trajectory through the period. This improvement reflected both the comparison in chilled ready meals against the horsemeat scandal in February 2013 as well as changes in the product portfolio with our largest ready meal customer which saw us exit certain product categories in Q1 and increase our share in Italian ready meals in Q2. Revenue in the rest of the Prepared Meals portfolio (quiche, chilled soup and sauces) was modestly lower year on year impacted by both milder weather and promotional phasing.

Grocery
The Grocery business groups together our other activities in the UK market. It provides meal components such as cooking sauces, table sauces, pickles and Yorkshire Puddings. The Grocery management team also has responsibility for our cakes and desserts activity in Hull and Evercreech together with the foodservice desserts activity which was sold in May 2014.

The own label cooking sauce market was 4.0% lower in the period whilst the Yorkshire Puddings market declined by 4.3%. The largest sub-category in cakes and desserts in which we participate, celebration cakes, grew by 3.9%, whilst chilled desserts exhibited modest decline.

Like for like revenue in the Grocery business (excluding the desserts activity which was sold to Müller Dairy UK Group in January 2013) grew by 1.6%. The Selby cooking sauce and pickles business outperformed its markets with growth driven by net listing gains. In Yorkshire Puddings, revenues declined broadly in line with the category. In the cakes and desserts activity, like for like revenue was 2.5% higher than the prior year with new business wins the key driver.

After the period end, the business sold its foodservice desserts business, Ministry of Cake, for upfront cash consideration of £8.0m and deferred consideration of up to £3.0m. The business represented less than 2% of Group revenue and a similar proportion of Group operating profit. As at 28 March 2014, Ministry of Cake was classified as held for sale and an impairment charge of £5.8m, representing the difference between the net consideration and net asset value, was recognised as an exceptional item.

US Convenience Foods

The US business is focused on food to go products supplied predominantly to the faster growing convenience and small store channels, including the coffee shop market.

During the period, revenues grew by 25.2% on a reported basis and by 25.7% on a like for like basis (excluding the five weeks contribution from Lettieri's and in constant currency). Underlying growth was driven predominantly by the roll out of activity with a new customer which commenced in Q2 2013 and by a solid performance with our largest US customer.

In February, the Group announced that it had acquired Lettieri's, a leading manufacturer of frozen food to go products for the convenience channel. The products are served hot at the point of purchase and complement the chilled sandwich and salads activity. The Group also announced an investment of £6m in its Jacksonville facility in order to create the capability to manufacture frozen food to go products. This capacity of approximately £60m in revenue terms will come on stream in Q4 of FY14 and will support confirmed business with a leading customer.

In March, the Group announced that it is to build a greenfield sandwich manufacturing facility in Quonset, Rhode Island, at an approximate capital cost of £20m. It is anticipated that the site will commence production in the spring of 2015 enabling the closure of both the Newburyport and Brockton sites upon lease termination in 2015. The strategic location of the new facility will enable the Group to supply both its existing New England markets and to develop future business opportunities closer to New York. A non-cash impairment charge of £8.6m and a provision for site exit costs and redundancies of £1.2m have been recognised as exceptional items as described in the Financial Review.

Ingredients & Property

	H1 14 £m	H1 13 £m	Change Actual Currency	Change Constant Currency
Revenue	31.9	30.8	+3.7%	+2.8%
Operating profit	1.3	1.4	-6.6%	-7.7%

The Ingredients & Property division accounts for around 5% of Group activity. Revenue grew by 2.8% in constant currency in the period predominantly due to a higher volume of trading in the edible oils business. Revenue was lower in the molasses feed business given the milder winter.

The Group is engaged in negotiations on the disposal of the Littlehampton site in the UK. In Ireland, environmental remediation is continuing on the former sugar processing sites.

FINANCIAL REVIEW [1,2,3]

Revenue and Operating Profit
Revenue in the period was £619.8m, an increase of 8.2% versus H1 13. Group operating profit of £37.2m was 14.0% ahead of the prior year. Operating margin of 6.0% was 30 basis points higher than in H1 13.

The impact of currency in the period was a modest reduction in revenue and operating profit, predominantly driven by the relative strengthening of sterling against the US dollar compared with H1 13.

Interest Payable
The Group's bank interest payable in H1 14 was £7.0m compared to £7.7m in H1 13. This reduction was driven by a lower effective interest rate on the Group's primary bank facilities and lower average net debt in the period. The composition of the charge was £6.3m of interest payable, commitment fees for undrawn facilities of £0.4m and an amortisation charge in respect of facility fees of £0.3m.

Non-Cash Finance Charges/Credit
The Group's net non-cash finance charge in H1 14 was £2.1m (£0.9m charge in H1 13). The change in the fair value of derivatives and related debt adjustments was a non-cash credit of £0.9m (£1.9m credit in H1 13) reflecting the impact of marking to market the Group's interest rate swap portfolio. The charge in respect of the increase in the present value of assets and liabilities held was unchanged at £0.1m. The non-cash pension financing charge of £2.9m was £0.2m higher than the charge in H1 13 reflecting a lower discount rate. The non-cash pension financing charge reflects the adoption of IAS19 (Revised) both in H1 14 and the restatement of H1 13.

Taxation
The Group's effective tax rate in H1 14 (including the tax impact associated with pension finance items) was 1% compared to a restated credit of 1% in H1 13.

The Group's effective tax rate continues to benefit from historic tax losses.

Exceptional Items
The Group recognised a net exceptional charge in the period of £12.6m, of which £10.0m relates to non-cash items. The breakdown is as follows:

- a £9.8m charge related to the planned exit from the Newburyport and Brockton manufacturing facilities in the US. The charge is composed of a non-cash impairment of fixed assets (principally leasehold improvements) of £6.1m, a non-cash impairment of intangible assets of £2.5m and a provision for site exit costs and redundancy and retention costs of £1.2m;
- a non-cash charge of £5.8m relating to the recognition of an impairment charge in the Ministry of Cake business upon its classification as held for sale during the period;
- a charge of £1.3m in relation to transaction and integration costs of the Lettieri's acquisition;
- a tax credit of £2.3m related to the resolution of an overseas tax case; and
- a tax credit of £2.1m related to the US exceptional charges in the period, primarily due to a deferred tax movement in relation to the asset impairment charge.

Earnings per Share
Adjusted earnings of £28.1m in the period were 22.3% ahead of the prior year. Adjusted earnings per share of 7.0 pence were 18.6% ahead of H1 13.

Cash Flow and Net Debt
A net cash inflow from operating activities of £18.7m was recorded compared to an inflow of £5.3m in H1 13. The increased inflow was driven primarily by higher operating profit, a lower seasonal working capital outflow than in H1 13 and lower cash spend on exceptional items.

Capital expenditure of £17.2m was incurred in the period compared to £18.4m in H1 13. This reduction is predominantly due to phasing. H2 capital expenditure will be significantly higher than in FY13 given the construction of a new facility in Rhode Island, the investment in Jacksonville and the investment in Northampton announced today. Interest costs of £8.3m were paid in the period with cash dividends to equity holders of £4.5m.

The Group's net debt at 28 March 2014 was £257.9m, an increase of £25.1m from 27 September 2013. This increase was driven predominantly by the acquisition of Lettieri's together with seasonal working capital outflow. During the period, the Group arranged a new committed non-bank debt facility of €70m (£57.9m) with a maturity of 6 years. As a result, the Group is well financed with committed facilities at 28 March 2014 of £487.2m and a weighted average maturity of 3.2 years.

Pensions
The net pension deficit (before related deferred tax) decreased to £127.8m at 28 March 2014 from £137.5m at 27 September 2013. The net pension deficit after related deferred tax was £105.5m, a decrease of £8.7m from 27 September 2013.

The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) increased to £381.0m at 28 March 2014 from £373.5m at 27 September 2013. The present value of the total pension liabilities for these schemes decreased to £508.7m from £511.0m over the same period.

All defined benefit pension scheme plans are closed to future accrual and the Group's pension policy with effect from 1 January 2010 is that future service for current employees and new entrants is provided under defined contribution pension arrangements.

Related Party Transactions
There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period. In addition, there were no changes in related party transactions from the last Annual Report that could have had a material effect on the financial position or performance of the Group in the first six months.

Principal Risks and Uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remainder of the financial year and could cause actual results to differ materially from expected and historical results. The Board considers the risks and uncertainties described on pages 10 to 13 of the Annual Report and Accounts for the year ended 27 September 2013 issued on 26 November 2013 to remain applicable. These risks are as follows:

Strategic risks
- Competitor activity
- Growth

Commercial risks
- Changes in consumer behaviour and demand
- Loss of key customer relationships
- Margin and cost pressures

Operational risks
- Food industry regulations
- Product contamination
- Disruption to day to day operations
- Loss of key personnel

Financial risks
- Interest rates, foreign exchange rates, liquidity and credit
- Employee retirement obligations

Forward-Looking Statements
Certain statements made in this announcement are forward-looking. These represent expectations for the Group's business, and involve risks and uncertainties. The Group has based these forward-looking statements on current expectations and projections about future events. The Group believes that expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which in some cases are beyond the Group's control, actual results or performance, may differ materially from those expressed or implied by such forward-looking statements.

P.G. Kennedy, Chairman
19 May 2014

greencore

GROUP CONDENSED INCOME STATEMENT
for the half year ended 28 March 2014

		Half Year Ended 28 March 2014			Half Year ended 29 March 2013		
			(Unaudited)			*As restated (Unaudited)	
	Notes	Pre – exceptional £'000	Exceptional (Note 5) £'000	Total £'000	Pre – exceptional £'000	Exceptional (Note 5) £'000	Total £'000
Revenue	3	**619,824**	**-**	**619,824**	572,886	-	572,886
Cost of sales		**(431,781)**	**-**	**(431,781)**	(399,288)	-	(399,288)
Gross profit		**188,043**	**-**	**188,043**	173,598	-	173,598
Operating costs, net		**(150,804)**	**(16,934)**	**(167,738)**	(140,930)	(8,133)	(149,063)
Group operating profit before acquisition related amortisation	3	**37,239**	**(16,934)**	**20,305**	32,668	(8,133)	24,535
Amortisation of acquisition related intangibles		**(3,564)**	**-**	**(3,564)**	(4,128)	-	(4,128)
Group operating profit	3	**33,675**	**(16,934)**	**16,741**	28,540	(8,133)	20,407
Finance income	11	**25**	**-**	**25**	72	-	72
Finance costs	11	**(9,138)**	**-**	**(9,138)**	(8,660)	-	(8,660)
Share of profit of associates after tax		**405**	**-**	**405**	389	-	389
Profit before taxation		**24,967**	**(16,934)**	**8,033**	20,341	(8,133)	12,208
Taxation	6	**(236)**	**4,383**	**4,147**	137	8,559	8,696
Profit for the financial period		**24,731**	**(12,551)**	**12,180**	20,478	426	20,904
Attributable to:							
Equity shareholders		**24,052**	**(12,551)**	**11,501**	19,677	426	20,103
Non-controlling interests		**679**	**-**	**679**	801	-	801
		24,731	**(12,551)**	**12,180**	20,478	426	20,904
Basic earnings per share	8			**2.9**			5.1
Diluted earnings per share	8			**2.8**			5.1

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

GROUP CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the half year ended 28 March 2014

	Half Year ended 28 March 2014 (Unaudited) £'000	Half year ended 29 March 2013 **As restated* (Unaudited) £'000
Items of income and expense taken directly to equity		
Items that will not be reclassified to profit or loss:		
Actuarial gain/(loss) on Group defined benefit pension schemes	**6,462**	(19,686)
Deferred tax on Group defined benefit pension schemes	**(1,032)**	3,924
	5,430	(15,762)
Items that may subsequently be reclassified to profit or loss:		
Currency translation adjustment	**(2,556)**	3,568
Current tax on currency translation adjustment	**15**	(127)
Hedge of net investment in foreign currency subsidiaries	**2,488**	(4,884)
Cash flow hedges:		
fair value movement taken to equity	**84**	(625)
transfer to Income Statement for the period	**561**	326
deferred tax on transfer to Income Statement for the period	**(129)**	69
	463	(1,673)
Net income/(expense) recognised directly within equity	**5,893**	(17,435)
Group result for the financial period	**12,180**	20,904
Total recognised income and expense for the financial period	**18,073**	3,469
Attributable to:		
Equity shareholders	**17,445**	2,466
Non-controlling interests	**628**	1,003
Total recognised income and expense for the financial period	**18,073**	3,469

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

GROUP CONDENSED BALANCE SHEET
at 28 March 2014

	Notes	**March 2014** **(Unaudited)** **£'000**	March 2013 **As restated* (Unaudited) £'000	September 2013 (Unaudited) £'000
ASSETS				
Non-current assets				
Intangible assets	9	**502,550**	503,587	499,924
Property, plant and equipment	9	**223,176**	226,322	229,246
Investment property	9	**29,402**	28,635	28,870
Investments in associates		**1,230**	918	826
Other receivables		**1,014**	941	1,033
Derivative financial instruments	11	**5,680**	13,811	8,235
Deferred tax assets		**67,320**	61,165	66,586
Total non-current assets		**830,372**	835,379	834,720
Current assets				
Inventories		**52,376**	50,170	53,144
Trade and other receivables		**118,072**	100,232	115,720
Derivative financial instruments	11	**-**	2,665	966
Cash and cash equivalents	11	**18,794**	13,102	6,310
Assets held for sale	16	**15,543**	-	-
Total current assets		**204,785**	166,169	176,140
Total assets		**1,035,157**	1,001,548	1,010,860
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	10	**4,039**	117,637	4,013
Share premium		**180,477**	176,859	177,330
Reserves		**74,062**	(88,893)	67,236
		258,578	205,603	248,579
Non-controlling interests		**4,096**	4,047	3,468
Total equity		**262,674**	209,650	252,047
LIABILITIES				
Non-current liabilities				
Borrowings	11	**280,893**	251,332	199,665
Derivative financial instruments	11	**2,031**	5,728	2,246
Retirement benefit obligations	14	**127,769**	142,488	137,545
Other payables		**2,033**	2,252	2,239
Provisions for liabilities	12	**7,918**	15,852	10,968
Deferred tax liabilities		**20,604**	31,839	21,288
Government grants		**52**	64	57
Total non-current liabilities		**441,300**	449,555	374,008
Current liabilities				
Bank overdraft	11	**488**	-	4,554
Borrowings	11	**-**	50,713	44,094
Derivative financial instruments	11	**202**	1,876	346
Trade and other payables		**296,367**	258,580	303,141
Consideration payable on acquisitions		**379**	1,316	918
Provisions for liabilities	12	**6,831**	5,490	6,928
Current taxes payable		**21,388**	24,368	24,824
Liabilities held for sale	16	**5,528**	-	-
Total current liabilities		**331,183**	342,343	384,805
Total liabilities		**772,483**	791,898	758,813
Total equity and liabilities		**1,035,157**	1,001,548	1,010,860

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

GROUP CONDENSED CASH FLOW STATEMENT
for the half year ended 28 March 2014

	Half year ended 28 March 2014 (Unaudited) £'000	Half year ended 29 March 2013 *As restated (Unaudited) £'000
Profit before taxation	**8,033**	12,208
Finance income	**(25)**	(72)
Finance costs	**9,138**	8,660
Share of profit of associates (after tax)	**(405)**	(389)
Exceptional items	**16,934**	8,133
Operating profit (pre-exceptional)	**33,675**	28,540
Depreciation	**12,528**	11,525
Amortisation of intangible assets	**4,413**	4,831
Employee share based payment expense	**1,369**	935
Amortisation of government grants	**(6)**	(6)
Difference between pension charge and cash contributions	**(5,138)**	(5,283)
Working capital movement	**(14,055)**	(17,320)
Other movements	**(132)**	442
Net cash inflow from operating activities before exceptional items	**32,654**	23,664
Cash outflow related to exceptional items	**(5,571)**	(10,585)
Interest paid	**(8,299)**	(7,491)
Tax paid	**(95)**	(254)
Net cash inflow from operating activities	**18,689**	5,334
Cash flow from investing activities		
Dividends received from associates	**-**	20
Purchase of property, plant and equipment	**(14,565)**	(17,309)
Purchase of investment property	**(605)**	(237)
Purchase of intangible assets	**(2,074)**	(856)
Acquisition of undertakings	**(23,018)**	(1,984)
Disposal of undertakings	**-**	10,393
Interest received	**4**	176
Net cash outflow from investing activities	**(40,258)**	(9,797)
Cash flow from financing activities		
Proceeds from issue of shares	**68**	125
Ordinary shares purchased – own shares	**(1,897)**	(709)
Increase in bank borrowings	**44,594**	3,107
Increase in finance lease liabilities	**111**	1,045
Dividends paid to equity holders of the Company	**(4,534)**	(4,847)
Dividends paid to non-controlling interests	**-**	(202)
Net cash inflow/(outflow) from financing activities	**38,342**	(1,481)
Net increase/(decrease) in cash and cash equivalents	**16,773**	(5,944)
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of period	**1,756**	18,751
Translation adjustment	**(223)**	295
Increase/(decrease) in cash and cash equivalents	**16,773**	(5,944)
Cash and cash equivalents at end of period	**18,306**	13,102

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 28 March 2014

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 27 September 2013	**4,013**	**177,330**	**107,904**	**(40,668)**	**248,579**	**3,468**	**252,047**
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	(2,505)	-	(2,505)	(51)	(2,556)
Current tax on currency translation adjustment	-	-	-	15	15	-	15
Net investment hedge	-	-	2,488	-	2,488	-	2,488
Actuarial loss on Group defined benefit pension schemes	-	-	-	6,462	6,462	-	6,462
Deferred tax on Group defined benefit pension schemes	-	-	-	(1,032)	(1,032)	-	(1,032)
Cashflow hedge taken to equity	-	-	84	-	84	-	84
Cashflow hedge transferred to Income Statement	-	-	561	-	561	-	561
Deferred tax on cashflow hedge	-	-	(129)	-	(129)	-	(129)
Profit for the financial period	-	-	-	11,501	11,501	679	12,180
Total recognised income and expense for the financial period	-	-	499	16,946	17,445	628	18,073
Employee share based payment expense	-	-	2,257	-	2,257	-	2,257
Exercise, lapse or forfeit of share based payments	1	67	(3,305)	3,305	68	-	68
Shares acquired by Employee Benefit Trust	-	-	(1,978)	81	(1,897)	-	(1,897)
Shares granted to beneficiaries of the Employee Benefit Trust	-	-	1,050	(1,050)	-	-	-
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust*	-	-	7,334	(7,334)	-	-	-
Deferred tax on share based payments	-	-	-	731	731	-	731
Dividends	25	3,080	-	(11,710)	(8,605)	-	(8,605)
At 28 March 2014	**4,039**	**180,477**	**113,761**	**(39,699)**	**258,578**	**4,096**	**262,674**

* In the prior year, the Group converted 3,904,716 treasury shares into ordinary shares of £0.01 each and subsequently transferred these shares to the Employee Benefit Trust at nominal value. These shares were previously held in the own share reserve at a value of £17.8m, which represented the cost of acquisition of the shares on the open market at a price of £4.24 per share. As these shares are granted to the beneficiaries of the Employee Benefit Trust, the related residual amount in the own shares reserve is transferred to retained earnings.

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 28 March 2014

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 28 September 2012							
Opening balance as previously reported	120,920	171,469	(11,758)	(83,358)	197,273	3,246	200,519
Prior year adjustment*	-	-	-	13,372	13,372	-	13,372
Opening balance as restated	120,920	171,469	(11,758)	(69,986)	210,645	3,246	213,891
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	3,366	-	3,366	202	3,568
Current tax on currency translation adjustment	-	-	-	(127)	(127)	-	(127)
Net investment hedge	-	-	(4,884)	-	(4,884)	-	(4,884)
Actuarial loss on Group defined benefit pension schemes	-	-	-	(19,686)	(19,686)	-	(19,686)
Deferred tax on Group defined benefit pension schemes	-	-	-	3,924	3,924	-	3,924
Cashflow hedge taken to equity	-	-	(625)	-	(625)	-	(625)
Cashflow hedge transferred to Income Statement	-	-	326	-	326	-	326
Deferred tax on cashflow hedge	-	-	69	-	69	-	69
Profit for the financial period	-	-	-	20,103	20,103	801	20,904
Total recognised income and expense for the financial period	-	-	(1,748)	4,214	2,466	1,003	3,469
Currency translation adjustment	-	-	-	-	-	-	-
Employee share based payment expense	-	-	935	-	935	-	935
Exercise, lapse or forfeit of share based payments	-	-	(1,160)	1,160	-	-	-
Shares acquired by Employee Benefit Trust	-	-	(738)	29	(709)	-	(709)
Shares granted to beneficiaries of the Employee Benefit Trust	-	-	839	(839)	-	-	-
Cancellation of deferred shares	(3,312)	3,312	-	-	-	-	-
Issue of shares	2	123	-	-	125	-	125
Dividends	27	1,955	-	(9,841)	(7,859)	(202)	(8,061)
At 29 March 2013	117,637	176,859	(13,630)	(75,263)	205,603	4,047	209,650

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 28 March 2014

Other Reserves

	Share options £'000	Own shares £'000	Capital redemption reserve £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 27 September 2013	**6,250**	**(18,800)**	**116,977**	**804**	**(54)**	**2,727**	**107,904**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**(2,505)**	**(2,505)**
Net investment hedge	**-**	**-**	**-**	**-**	**-**	**2,488**	**2,488**
Actuarial gain on Group defined benefit pension schemes	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cashflow hedges taken to equity	**-**	**-**	**-**	**-**	**84**	**-**	**84**
Cashflow hedges transferred to Income Statement	**-**	**-**	**-**	**-**	**561**	**-**	**561**
Deferred tax on cashflow hedge	**-**	**-**	**-**	**-**	**(129)**	**-**	**(129)**
Total recognised income and expense for the financial period	**-**	**-**	**-**	**-**	**516**	**(17)**	**499**
Currency translation adjustment	**(40)**	**-**		**-**	**-**	**40**	**-**
Employee share based payment expense	**2,257**	**-**	**-**	**-**	**-**	**-**	**2,257**
Exercise, lapse or forfeit of share based payments	**(3,305)**	**-**	**-**	**-**	**-**	**-**	**(3,305)**
Shares acquired by Employee Benefits Trust	**-**	**(1,978)**	**-**	**-**	**-**	**-**	**(1,978)**
Shares granted to beneficiaries of the Employee Benefits Trust	**-**	**1,050**	**-**	**-**	**-**	**-**	**1,050**
Transfer to retained earnings	**-**	**7,334**	**-**	**-**	**-**	**-**	**7,334**
At 28 March 2014	**5,162**	**(12,394)**	**116,977**	**804**	**462**	**2,750**	**113,761**

	Share options £'000	Own shares £'000	Capital redemption reserve £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 28 September 2012	4,218	(18,870)	-	804	(2,003)	4,093	(11,758)
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	-	-	-	3,366	3,366
Net investment hedge	-	-	-	-	-	(4,884)	(4,884)
Cashflow hedges taken to equity	-	-	-	-	(625)	-	(625)
Cashflow hedges transferred to Income Statement	-	-	-	-	326	-	326
deferred tax on transfer to Income Statement for the period	-	-	-	-	69	-	69
Total recognised income and expense for the financial period	-	-	-	-	(230)	(1,518)	(1,748)
Currency translation adjustment	222	-	-	-	-	(222)	-
Employee share based payment expense	935	-	-	-	-	-	935
Exercise, lapse or forfeit of share based payments	(1,160)	-	-	-	-	-	(1,160)
Shares acquired by Employee Benefit Trust	-	(738)	-	-	-	-	(738)
Shares granted to beneficiaries of the Employee Benefit Trust	-	839	-	-	-	-	839
At 29 March 2013	4,215	(18,769)	-	804	(2,233)	2,353	(13,630)

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The Group Condensed Financial Statements have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Authority and IAS 34 Interim Financial Reporting as adopted by the European Union.

These Condensed Financial Statements do not comprise statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The Group condensed financial information for the year ended 27 September 2013 represents an abbreviated version of the Group Financial Statements for that year. Those financial statements, upon which the auditor issued an unqualified audit report, have been filed with the Registrar of Companies.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group Condensed Financial Statements.

2. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Group Condensed Financial Statements are consistent with those applied in the Annual Report for the financial year ended 27 September 2013 and are as set out in those financial statements.

The adoption of IAS 19 Employee Benefits (revised) resulted in a number of amendments to prior year results. As required by IAS 34, the nature and effect of changes arising as a result of the adoption of IAS 19 (revised) are disclosed in note 14.

The adoption of the remaining new standards and interpretations (as set out in the 2013 Annual Report) that became effective for the Group's financial statements for the year ended 26 September 2014 did not have any significant impact on the Group Consolidated Financial Statements.

3. Segment Information

The Group is organised around different product portfolios. The Group's reportable segments under IFRS 8 are as follows:

Convenience Foods - this reportable segment is the aggregation of two operating segments, Convenience Foods UK and Convenience Foods US. This segment derives its revenue from the production and sale of convenience food.

Ingredients & Property - this segment represents the aggregation of 'all other segments' as permitted under IFRS 8 (IFRS 8 specifies that, where the external revenue of reportable segments exceeds 75% of the total Group revenue, it is permissible to aggregate all other segments into one reportable segment). The Ingredients & Property reportable segment derives its revenue from the distribution of edible oils, molasses and the management of the Group's surplus property assets.

The Chief Operating Decision Maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before exceptionals and acquisition related amortisation. Exceptional items, net finance costs and income tax are managed on a centralised basis, therefore, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the segmental information below. Intersegment revenue is not material.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

3. **Segment Information** (continued)

	Convenience Foods		Ingredients & Property		Total	
	Half Year 2014	Half year 2013 *As restated	**Half Year 2014**	Half year 2013 *As restated	**Half Year 2014**	Half year 2013 *As restated
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Revenue	**587,915**	542,130	**31,909**	30,756	**619,824**	572,886
Group operating profit before exceptional items and acquisition related amortisation	**35,938**	31,275	**1,301**	1,393	**37,239**	32,668
Amortisation of acquisition related intangible assets	**(3,564)**	(4,128)	**-**	-	**(3,564)**	(4,128)
Group operating profit before exceptional items	**32,374**	27,147	**1,301**	1,393	**33,675**	28,540
Exceptional items					**(16,934)**	(8,133)
Group operating profit	**32,374**	27,147	**1,301**	1,393	**16,741**	20,407
Finance income					**25**	72
Finance costs					**(9,138)**	(8,660)
Share of profit of associates after tax	**-**	-	**405**	389	**405**	389
Profit before taxation					**8,033**	12,208

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

4. Seasonality

The Group's convenience foods portfolio is second half weighted. This weighting is primarily driven by weather and seasonal buying patterns impacting, in particular, the demand for chilled product categories.

5. Exceptional Items

		Half year 2014 £'000	Half year 2013 £'000
US restructuring cost	(a)	**(9,841)**	-
Impairment of Disposal Group Held For Sale	(b)	**(5,830)**	-
Transaction and Integration costs relating to US acquisitions	(c)	**(1,263)**	(1,101)
Integration costs relating to UK acquisitions	(d)	**-**	(2,248)
Pension curtailment gain	(e)	**-**	4,368
Property related charge	(f)	**-**	(9,152)
		(16,934)	(8,133)
Taxation on exceptional items	(g)	**2,128**	724
Exceptional tax credit	(g)	**2,255**	7,835
Total exceptional (charge)/credit		**(12,551)**	426

(a) US restructuring charge
During the period, the Group recognised a £9.8m charge related to a planned exit from its Newburyport and Brockton manufacturing facilities in the US. The charge is composed of a non-cash impairment of fixed assets (principally leasehold improvements) of £6.1m, a non-cash impairment of intangible assets of £2.5m and a provision for site exit costs and redundancy and retention costs of £1.2m.

(b) Impairment of Disposal Group Held For Sale
During the period, the Group recognised a non-cash impairment charge of £5.8m on the classification as held for sale of its Food Service Desserts business, Ministry of Cake Limited. This amount represents the difference between the net consideration and net asset value.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

5. Exceptional Items (continued)

(c) Transaction and Integration costs relating to US acquisitions
During the period, the Group recognised a charge of £1.3m relating to the transaction and integration costs associated with its acquisition of Lettieri's, a business based in Minneapolis, which was announced on 25 February 2014. During the prior period, the Group incurred an exceptional charge of £1.1m in connection with the integration of the acquisitions of MarketFare Foods and Schau in the US.

(d) Integration cost relating to the UK acquisitions
During the prior period, the Group incurred an exceptional charge of £2.2m in connection with (i) the completion of the integration of the Uniq business including the Chilled Desserts restructuring and (ii) the integration of the International Cuisine business acquired in August 2012.

(e) Pension curtailment credit
During the prior period, the Group recognised a curtailment gain of £4.4m as the trustees of the Greencore Group pension scheme resolved to pass on the cost of the Irish pensions levy to beneficiaries of the pension scheme in the form of a reduction in future pension payments. The cost of the levy had previously been assumed to be borne by the scheme and had been treated as a reduction in assets of the scheme when paid and as an increase in scheme liabilities for future amounts payable.

(f) Property related charge
During the prior period, the Group recognised a property related charge of £9.2m arising on its Irish property portfolio which comprised of a property impairment charge together with a provision for remediation costs on the former sugar processing sites. The property impairment charge of £4.3m arose due to the rezoning of a large proportion of the Group's property assets in Ireland together with the continued softening of demand for land and the related impact on prices being achieved on sales. The Group also re-evaluated the expected costs to be incurred in meeting the requirements of the Environmental Protection Agency regarding the remediation of the former sugar processing sites and an additional provision of £4.8m was recognised in this respect.

(g) Exceptional tax credit
During the period, a tax credit of £2.3m was recognised following on from the final resolution of an overseas tax case, the terms of settlement of which were agreed on in the prior year. During the prior period, a tax credit of £7.8m arose as the Group resolved a number of tax positions including the settlement of the overseas tax case finalised in 2014. A tax credit of £2.1m (2013: £0.7m) was recognised in respect of exceptional charges in the period.

6. Taxation

Interim period tax is accrued using the tax rate that is estimated to be applicable to expected total annual earnings based on tax rates that were enacted or substantively enacted at the half year end that is the estimated average annual effective income tax rate based on management's judgement applied to the taxable income of the interim period.

7. Dividends Paid and Proposed

A dividend of 2.9 pence per share was approved at the Annual General Meeting on 28 January 2014 as a final dividend in respect of the year ended 27 September 2013 and a total of £6.6m was paid on 2 April 2014 to those shareholders that did not avail of the Group scrip dividend scheme.

An interim dividend of 2.2 pence (2013: 1.9 pence) per share is payable on 3 October 2014 to shareholders on the Register of Members as of 6 June 2014. The ordinary shares will be quoted ex-dividend from 4 June 2014. The dividend will be subject to dividend withholding tax, although certain classes of shareholders may qualify for exemption.

The liability in respect of this interim dividend is not recognised in the Balance Sheet of the Group as at 28 March 2014 because the interim dividend had not been approved at the balance sheet date (but was subsequently declared by the Directors of the Company).

8. Earnings per Ordinary Share

Basic Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares and shares held in trust in respect of Group Employee Share Schemes. The adjusted figures for basic and diluted earnings per ordinary share are after the elimination of exceptional items, the effect of foreign exchange (FX) on inter-company and external balances where hedge accounting is not applied, the movement in fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

	Half year 2014 £'000	Half year 2013 **As restated* £'000
Profit attributable to equity holders of the Company	**11,501**	20,103
Exceptional items (post tax)	**12,551**	(426)
Fair value of derivative financial instruments and related debt adjustments	**(647)**	(2,159)
FX on inter-company and external balances where hedge accounting is not applied	**(273)**	240
Amortisation of acquisition related intangible assets	**3,564**	4,128
Pension financing	**2,941**	2,740
Tax effect of pension financing and amortisation of acquisition related intangibles	**(1,541)**	(1,661)
Numerator for adjusted earnings per share calculation	**28,096**	22,965

Denominator for earnings per share and adjusted earnings per share calculation

	Half year 2014 '000	Half year 2013 '000
Shares in issue at the beginning of the period	**401,369**	394,357
Treasury shares	**-**	(3,905)
Shares held by Employee Benefit Trust	**(4,131)**	(1,641)
Effect of shares issued in period	**2,394**	2,722
Weighted average number of ordinary shares in issue during the period	**399,632**	391,533

	Half year 2014 pence	Half year 2013 **As restated* pence
Basic earnings per ordinary share	**2.9**	5.1
Adjusted basic earnings per ordinary share	**7.0**	5.9

Diluted Earnings per Ordinary Share

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Employee share benefits which are performance based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable ordinary shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability have not been satisfied as at the end of the reporting period. Options over 9,451,796 (2013: 8,557,582) shares were excluded from the diluted EPS calculation as they were either antidilutive or contingently issuable ordinary shares which had not satisfied the performance conditions attaching at the end of the reporting period.

8. Earnings per Ordinary Share (continued)

Denominator for diluted earnings per share and adjusted earnings per share calculation
The reconciliation of the weighted average number of ordinary shares used for the purpose of calculating the diluted earnings per share amounts is as follows:

	2014	2013
	'000	'000
Weighted average number of ordinary shares in issue during the period	**399,632**	391,533
Dilutive effect of share options	**8,957**	7,518
Weighted average number of ordinary shares for diluted earnings per share	**408,589**	399,051

	Half Year 2014	Half Year 2013 **As restated*
	pence	pence
Diluted basic earnings per ordinary share	**2.8**	5.1
Adjusted diluted basic earnings per ordinary share	**6.9**	5.8

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14

9. Intangible Assets, Property, Plant and Equipment, Investment Property, Capital Expenditure and Commitments

During the six month period to 28 March 2014, the Group made approximately £17.1m (2013: £15.7m) of additions to property, plant and equipment, investment property and intangible assets. The Group disposed of certain assets with a carrying amount of £0.8m (2013: £4.0m) for proceeds of £0.8m (2013: £4.0m). In addition, the Group recognised a total impairment charge of £14.4m to property, plant & equipment and intangible assets in the period.

At 28 March 2014, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £13.3m (2013: £4.0m).

10. Equity Share Capital

Issued capital as at 28 March 2014 amounted to £4.0m (27 September 2013: £4.0m). During the six month period to 28 March 2014, 2,387,446 shares (2013: 2,678,410) were issued in respect of the scrip dividend scheme and 97,292 shares (2013:181,125) were issued in respect of the Group's Sharesave schemes.

Pursuant to the Deferred Bonus Plan and the Performance Share Plan, 971,803 shares were purchased by the Trustees of the Plan during the period ended 28 March 2014 (2013: 727,885). In addition, the Trustees utilised dividend income of £0.08m (2013: £0.03m) to acquire 62,384 (2013: 32,111) shares in the Group with a nominal value of £0.001m. In the period 3,046,238, (2013: 674,192) shares with a nominal value of £0.03m (2013: £0.013m) were transferred to beneficiaries of the Deferred Bonus Plan.

During the period, no share options were granted under the Executive Share Option Scheme (2013: nil), no share options were granted under the Sharesave schemes (2013: nil), 1,008,148 (2013: 3,477,711) shares, with a fair value of £1.86 per share (2013: £0.92 per share),were awarded under the Deferred Bonus Plan and 1,807,712 (2013: 4,298,604) conditional share awards, with a fair value of £1.86 per share (2013: £0.98 per share), were granted under the Performance Share Plan.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

11. Components of Net Debt and Financing

The cash flows from financing activities are set out in the Group Condensed Cash Flow Statement.

Net finance costs	2014 £'000	2013 *As restated £'000
Net finance costs on interest bearing cash and cash equivalents and borrowings	**(6,927)**	(7,674)
Net pension financing charge	**(2,941)**	(2,740)
Interest on obligations under finance leases	**(93)**	-
Change in fair value of derivatives and related debt adjustments	**647**	2,159
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**273**	(240)
Unwind of present value discount on non-current payables and receivables	**(72)**	(93)
	(9,113)	(8,588)
Analysed as:		
Finance income	**25**	72
Finance costs	**(9,138)**	(8,660)
	(9,113)	(8,588)

Net debt	March 2014 £'000	March 2013 £'000	September 2013 £'000
Cash and cash equivalents	**18,306**	13,102	1,756
Bank borrowings	**(117,301)**	(180,691)	(129,676)
Private placement notes	**(104,515)**	(120,309)	(113,036)
Non-bank borrowings	**(57,858)**	-	-
Finance lease	**(1,219)**	(1,045)	(1,047)
Cross currency interest rate swaps – fair value hedges	**4,715**	16,365	9,201
Group net debt	**(257,872)**	(272,578)	(232,802)

Fair value hierarchy – IFRS 13 (level 2 inputs)**

	March 2014 Level 2 £'000	September 2013 Level 2 £'000
Assets carried at fair value		
Cross currency swaps – fair value hedges	**4,959**	9,201
Interest rate swaps – cash flow hedges	**721**	-
	5,680	9,201
Liabilities carried at fair value		
Cross currency swaps – cash flow hedges	**(147)**	-
Cross currency swaps – fair value hedges	**(244)**	-
Interest rate swaps – cash flow hedges	**-**	(70)
Interest rate swaps – not designed as fair value hedges	**(1,736)**	(2,453)
Forward foreign exchange contracts – not designated as cash flow hedges	**(106)**	(69)
	(2,233)	(2,592)

11. Components of Net Debt and Financing (continued)

Fair Value of financial instruments at amortised cost

Except as set out below, it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

	March 2014		September 2013	
	Carrying amount £'000	**Fair value £'000**	Carrying amount £'000	Fair value £'000
Bank borrowings	**(117,301)**	**(119,956)**	(129,676)	(132,050)
Private placement	**(104,515)**	**(111,518)**	(113,036)	(113,952)
Non-bank finance	**(57,858)**	**(65,417)**	-	-
Finance leases	**(1,219)**	**(1,720)**	(1,047)	(1,625)

In October 2013, the Group issued USD65m in USD Notes maturing in October 2021 to replace USD and GBP Notes that matured at the end of October 2013.

In March 2014, the Group borrowed EUR70m in non-bank borrowings maturing in March 2020. The funds received were swapped from floating EUR to fixed USD rates using cross-currency interest rate swaps designated as hedges under IAS39 Financial Instruments: Recognition and Measurement.

* The comparatives for 2013 have been restated to reflect the adoption of IAS 19 Employee Benefits (revised) as set out in note 14
** For definition of level 2 inputs please refer to the 2013 Annual Report

12. Provisions for Liabilities

	Half year March 2014 £'000
At beginning of period	**17,896**
Utilised in period	**(3,149)**
Currency translation differences	**(70)**
Unwind of discount	**72**
At end of period	**14,749**

	March 2014 £'000	September 2013 £'000
Analysed as:		
Non-current liabilities	**7,918**	10,968
Current liabilities	**6,831**	6,928
	14,749	17,896

The significant provisions are as follows:

Leases

Lease provisions consist of (a) provisions for leasehold dilapidations in respect of certain leases, relating to the estimated cost of reinstating leasehold premises to their original condition at the time of the inception of the lease as provided for in the lease agreement; and (b) provisions for onerous contractual obligations for properties held under operating lease. It is anticipated that these will be payable within seven years.

Remediation and closure

Remediation and closure obligations were established to cover either a statutory, contractual or constructive obligation of the Group.

In the Ingredients & Property segment, remediation and closure obligations primarily relate to the closure of Irish Sugar and the exit from sugar processing.

12. Provisions for Liabilities (continued)

Other

Other provisions primarily consist of provisions for litigation, warranty claims and other uninsured claims relating to legacy business activities. It is anticipated that these will be payable within five years.

13. Contingencies

The Group and certain of its subsidiaries continue to be subject to various legal proceedings relating to its current and former activities. Provisions for anticipated settlement costs and associated expenses arising from legal and other disputes are made where a reliable estimate can be made of the probable outcome of the proceedings.

14. Retirement Benefit Schemes

In consultation with the independent actuaries to the schemes, the valuations of the pension obligations have been updated to reflect current market discount rates, rates of increase in salaries, pension payments and inflation, current market values of investments and actual investment returns.

The principal actuarial assumptions are as follows:

	March 2014		September 2013	
	Ireland	**UK**	Ireland	UK
Rate of increase in pension payments*	***0%**	**3.20%**	*0%	3.20%
Discount rate	**3.30%**	**4.60%**	3.50%	4.60%
Inflation rate	**1.90%**	**3.30%**	1.90%	3.30%

The financial position of the schemes was as follows:

	March 2014			September 2013		
	Irish Schemes £'000	**UK Schemes £'000**	**Total £'000**	Irish Schemes £'000	UK Schemes £'000	Total £'000
Total market value of assets	**222,838**	**158,116**	**380,954**	223,091	150,379	373,470
Effect of paragraph 58(b) limit**	**-**	**(20)**	**(20)**	-	(8)	(8)
Present value of scheme liabilities	**(236,946)**	**(271,757)**	**(508,703)**	(241,585)	(269,422)	(511,007)
Deficit in schemes	**(14,108)**	**(113,661)**	**(127,769)**	(18,494)	(119,051)	(137,545)
Deferred tax asset	**-**	**22,222**	**22,222**	-	23,266	23,266
Net liability	**(14,108)**	**(91,439)**	**(105,547)**	(18,494)	(95,785)	(114,279)

* The pension increase rate shown above applies to the majority of the liability base. However, there are certain categories within the Group that have an entitlement to pension indexation and this is allowed for in the calculation

**Restriction in IAS 19R on recognition of surplus in a defined benefit plan that cannot be recovered through refunds or reductions to future contributions

Adoption of IAS 19 Employee Benefits (Revised)

The adoption of IAS 19 (Revised) resulted in a number of amendments to the Group's accounting for retirement benefit obligations. The scheme administration costs, including the UK pension protection fund levy, are recognised as an operating cost through the Income Statement. These costs had previously been taken directly to scheme liabilities as the schemes are all closed to future accrual. On adoption, the Group has recognised an adjustment to opening retained earnings at 1 October 2012 of £13.4m with a corresponding reduction in the Group's retirement benefit obligations. Under IAS 19 (Revised), the full year 2013 operating costs increased by £2.0m (H1 2013: £1.0m) and the Group no longer takes a credit for the expected return on plan assets. The net interest expense has been calculated by multiplying the year-end discount rate by the year-end net pension liability adjusted for contributions and benefits in the period, thereby increasing the full year interest charge by £1.7m (H1 2013: £0.9m). In addition the Group has recognised a reduction in the deferred tax charge of £0.6m (H1 2013: £0.3m). These amendments to prior period reported Group profit resulted in a corresponding net increase in other comprehensive income of £3.1m (H1 2013: £1.5m).

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

14. Retirement Benefit Schemes (continued)

The tables below set out the impact on the financial statements:

Impact on Condensed Consolidated Income Statement

	Six month ended 29 March 2013			Year ended 27 September 2013		
	As reported (unaudited) £'000	Change in accounting policy £'000	As Restated (unaudited) £'000	As reported (audited) £'000	Change in accounting policy £'000	As restated (unaudited) £'000
Group operating profit	21,424	(1,017)	20,407	59,679	(2,034)	57,645
Finance costs, net	(7,732)	(856)	(8,588)	(15,091)	(1,713)	(16,804)
Share of profit of associates after tax	389	-	389	648	-	648
Profit before taxation	14,081	(1,484)	12,208	45,236	(3,747)	41,489
Taxation	8,361	335	8,696	26,503	634	27,137
Profit for financial period	22,442	(1,538)	20,904	71,739	(3,113)	68,626
Basic earnings per Ordinary Share (pence)	5.5	(0.4)	5.1	18.0	(0.9)	17.1
Diluted earnings per Ordinary Share (pence)	5.4	(0.4)	5.0	17.6	(0.8)	16.8

Impact on Condensed Consolidated Statement of Other Comprehensive Income

	Six month ended 29 March 2013			Year ended 27 September 2013		
	As reported (unaudited) £'000	Change in accounting policy £'000	As Restated (unaudited) £'000	As Reported audited £'000	Change in accounting policy £'000	As Restated (unaudited) £'000
Group profit for the financial period	22,442	(1,538)	20,904	71,739	(3,113)	68,626
Items which will not be reclassified to profit or loss:						
Actuarial loss on Group defined benefit pension schemes	(21,559)	1,873	(19,686)	(8,958)	3,747	(5,211)
Deferred tax on Group defined benefit pension schemes	4,259	(335)	3,924	(1,613)	(634)	(2,247)

Impact on Condensed Consolidated Balance Sheet

	As at 29 March 2013		
	As reported (unaudited) £'000	Change in accounting policy £'000	As restated £'000
Equity			
Retained earnings	(88,635)	13,372	(76,263)
Other components of equity	284,913	-	284,913
Total equity	196,278	13,372	209,650
Liabilities			
Non-current liabilities	307,067	-	307,067
Retirement benefit obligations	155,860	(13,372)	142,488
Current liabilities	342,343	-	342,343
Total liabilities	805,270	(13,372)	791,898
Total equity and liabilities	1,001,548	-	1,001,548

The change in accounting policy had no effect on the Group balance sheet at 27 September 2013.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

15. Acquisition of Undertakings

On 25 February 2014, the Group announced the acquisition of 100% of Lettieri's, a leading manufacturer of food to go products for the US convenience store channel. It operates from a modern, purpose-built facility in Shakopee, Minnesota and employs approximately 130 staff. The acquisition deepens the Group's manufacturing capability and widens its product range to serve more fully the food to go needs of customers in the small store channels.

The provisional fair values of the assets acquired, determined in accordance with IFRS, were as follows:

	March 2014 £'000
Assets	
Intangible assets	7,012
Property, plant and equipment	2,128
Inventory	1,858
Trade and other receivables	1,094
Total assets	12,092
Liabilities	
Trade and other payables	(1,561)
Total liabilities	(1,561)
Net assets acquired	10,531
Goodwill	11,990
Total enterprise value	22,521
Satisfied by:	
Cash payments	22,553
Net debt acquired	(32)
Net cash outflow	22,521

The fair values of acquired net assets have been determined provisionally as at 28 March 2014 and are subject to change, as the Group has yet to finalise the fair value of all the assets and liabilities acquired due to the timing of the completion of the acquisition.

The principal factor contributing to the recognition of goodwill on the acquisition of Lettieri's is the expected realisation of product synergies with existing customers, through the complementary product offering of Lettieri's with the existing offering of the Group. The principal intangible assets acquired were customer related intangibles. As part of the acquisition, the Group acquired trade receivables with a fair value of £1.1m. Management estimates that acquired receivables will be collected in full. The goodwill arising on acquisition is deductible for tax purposes.

The post-acquisition impact of Lettieri's on the Group was to increase revenue by £1.7m and to increase Group profit by £0.1m.

If the acquisition of Lettieri's had taken place at the beginning of the period, Group revenue would have been £627.4m, and the profit for the period would have been £12.6m.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

16. Disposal Group Held For Sale

In January 2014, management committed to a plan to sell its foodservice desserts business, Ministry of Cake (MOC) which was part of the Convenience Foods segment. Accordingly, MOC was presented as a disposal group held for sale at 28 March 2014. The disposal of this business was completed in May 2014.

As at 28 March 2014, the disposal group comprised assets of £15.5m, less liabilities of £5.5m, detailed as follows:

	March 2014 £'000
Intangible assets	**3,762**
Property, plant and equipment	**3,507**
Inventory	**2,974**
Trade and other receivables	**5,300**
Trade and other payables	**(4,905)**
Deferred tax liability	**(623)**
Total	**10,015**

A non cash impairment charge of £5.8m was recognised on the write down of the carrying amount of the disposal group to its fair value less costs to sell and has been included in exceptional items (note 5) in the Group Condensed Income Statement.

17. Information

Copies of the Half Yearly Financial Report are available for download from the Group's website at www.greencore.com.

18. Auditor Review

This half yearly financial report has not been audited or reviewed by the auditor of the Group pursuant to the Auditing Practices Board guidance on Review of Interim Financial Statements.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

● The Group Condensed Financial Statements for the half year ended 28 March 2014 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

● The Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the Group Condensed Financial Statements for the half year ended 28 March 2014 and a description of the principal risks and uncertainties for the remaining six months; and

● The Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board,

P.F. Coveney	**A.R. Williams**
Chief Executive Officer	Chief Financial Officer
19 May 2014	19 May 2014

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