



Results

For the year ended 28 September 2012

greencore group

AGENDA

Highlights	Patrick Coveney, CEO
Financial Review	Alan Williams, CFO
Operating & Strategic Review	Patrick Coveney, CEO
Outlook	Patrick Coveney, CEO
Q&A	Open to the Floor

HIGHLIGHTS

- Extensive reshaping of Group now complete
  - Focused and growing convenience food group with broad customer balance
  - Strong underlying momentum right across the portfolio
  - Integration of Uniq largely complete with targeted synergies fully delivered
  - Establishment of a larger scale food to go business in the US
- Strong performance in revenue, operating profit, adjusted EPS, operating cashflows and increased dividend distribution, despite challenging market conditions
- Net debt of £258.0m reflecting leverage below 2.5 times (covenant test basis)

FINANCIAL REVIEW

Alan Williams

Chief Financial Officer

FINANCIAL SUMMARY

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	FY12	Versus FY11
Revenue	£1,161.9m	+44.5%
Revenue – continuing activity[1]	£1,107.7m	+10.4%
Operating profit[2]	£70.7m	+37.3%
Operating margin[2]	6.1%	-30 bps
Adjusted earnings[3]	£49.2m	+70.9%
Adjusted earnings per share[3]	12.8p	+21.9%

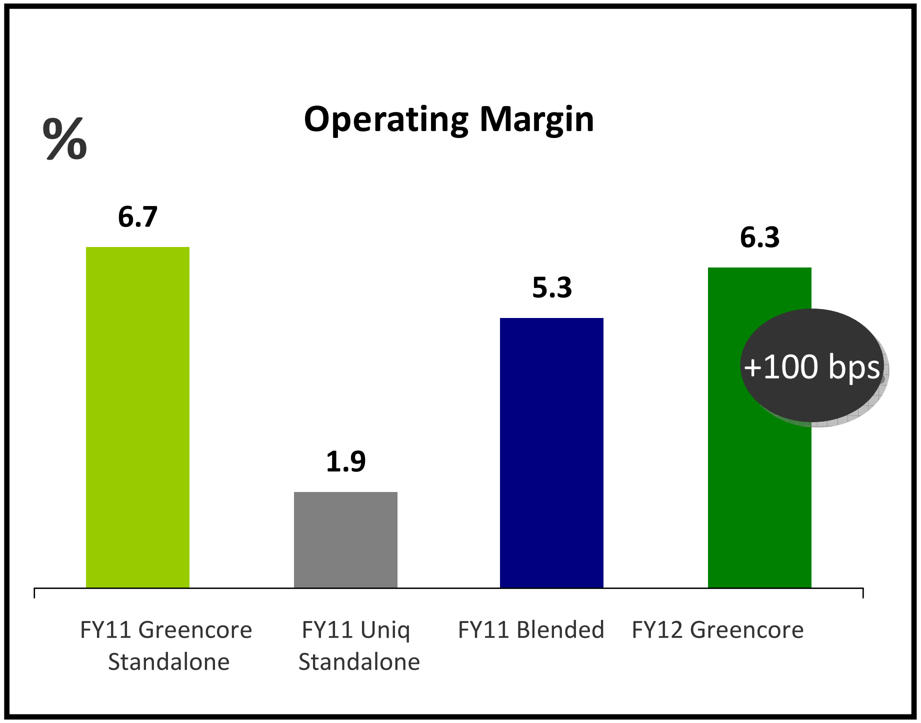
1. Continuing activity revenue growth assumes Uniq had formed part of the Group throughout the prior year and excludes Desserts product lines in Uniq which have been or are being exited. FY11 was a 53 week accounting year for the legacy Greencore business with the additional week occurring in Q3. Continuing activity growth comparisons have been adjusted to remove this extra week. The FY11 comparative figure reflects Greencore reported revenues for the year excluding the 53rd week and Uniq continuing activity pro-forma revenues for the comparable 52 week period.
2. Operating profit and margin are stated before exceptional items and acquisition related amortisation.
3. Adjusted earnings 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.

CONVENIENCE FOODS

	FY12 £m	FY11 £m	% change
Revenue – as reported	1,091.1	732.2	+49.0%
Revenue – continuing activity[1]	1,036.9	932.6	+11.2%
Operating profit[2]	69.1	49.3	+40.2%

- Strong sales and profit performance despite continued challenging market conditions
- Continuing activity revenue growth of 11.2% (7.4% excluding impact of US and ICL acquistions) driven by good category momentum and market share gains
- Strong growth in operating profit driven by Uniq acquisition

CONVENIENCE FOODS MARGIN



- Reported operating margin 40bps lower at 6.3% driven by lower margin Uniq businesses
- Pro-forma operating margin 100bps ahead driven by:
  - Uniq acquisition cost synergy delivery
  - Underlying performance improvement in the Uniq business

INGREDIENTS & PROPERTY

	FY12 £m	FY11 £m	% change	% change constant currency
Revenue	70.8	72.0	-1.7%	+2.9%
Operating profit[2]	1.6	2.2	-28.0%	-22.6%

Division represents 6% of Group revenue

- Good performance in ingredients businesses with sales growth on a constant currency basis and operating profit increase
- Reduction in operating profit for division explained by year-on-year decrease in property trading profits and adverse currency
- Outline planning permission obtained for Littlehampton site in December 2011 – marketing of the site to commence in Spring 2013

FINANCE COSTS

Bank interest payable has decreased from FY11 despite incremental debt to part finance Uniq acquisition

£m	FY12	FY11
Bank interest payable	**(16.4)**	**(16.9)**
Unwind of discount to present value	0.1	0.2
Net pension financing charge	(4.7)	(1.8)
FX/Fair value of derivatives	2.8	4.6
Net finance charge	**(18.1)**	**(13.9)**

TAX CHARGE

- Group's effective tax rate ("ETR") has reduced to 4% (FY11: 13%) largely as a result of the Uniq acquisition
- Uniq business possessed significant tax attributes
- An income statement credit will be recognised each year in relation to the amortisation of the intangible assets identified on acquisition
- ETR expected to remain in single digits for the foreseeable future
- Cash tax inflow of £2.0m (FY11: outflow of £2.4m), driven by net reimbursement of payments on account

EXCEPTIONAL COSTS

FY12 Exceptionals	Income Statement £m
Integration costs of UK acquisitions	(7.6)
Integration costs of US acquisitions	(3.1)
Transaction costs	(2.2)
Onerous lease obligation on former business	(1.1)
Pre tax impact	**(14.0)**
Tax relief on exceptional items and resolution of overseas case	8.3
Total exceptional expense	**(5.6)**

EPS AND DIVIDEND

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EPS	FY12	FY11
Adjusted earnings[3]	£49.2m	£28.8m
Denominator for earnings per share	385.0m	273.9m
Adjusted earnings per share[3]	12.8p	10.5p

EPS

- Adjusted earnings 70.9% ahead
- Adjusted earnings per share up 21.9%

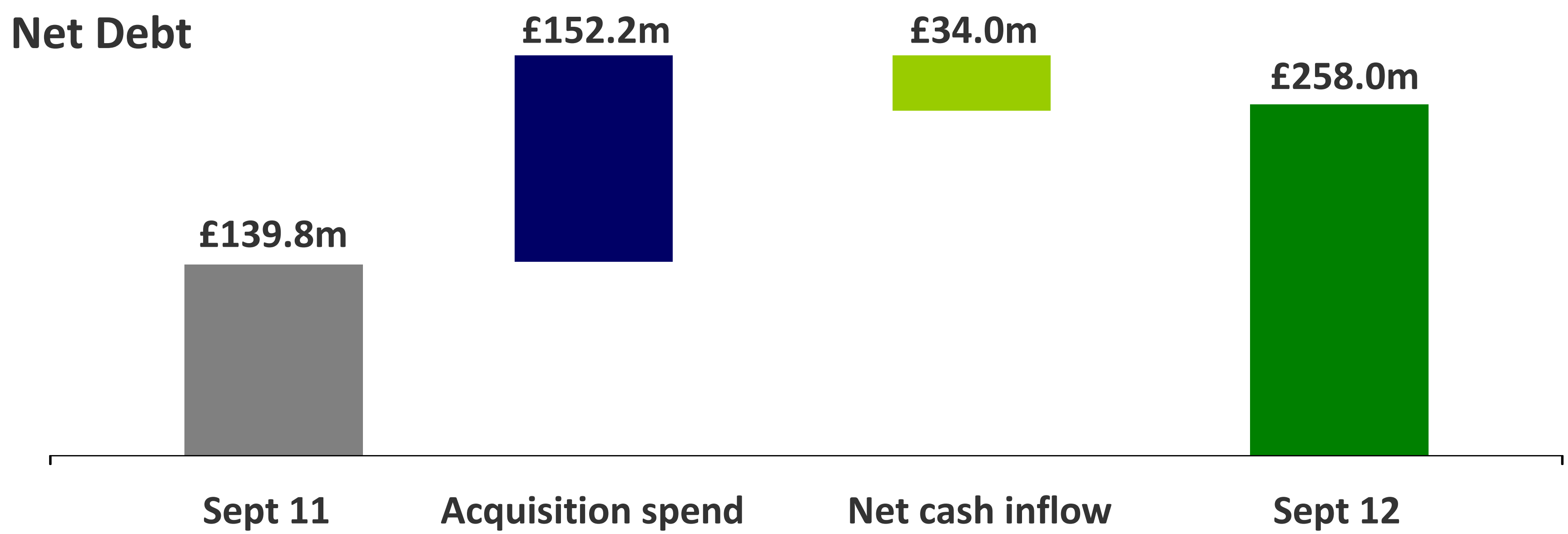
Dividend	FY12	FY11
Total dividend distribution	£16.7m	£13.4m*
Interim dividend per share	1.75p	3.0c (2.6p)
Final dividend per share	2.5p	2.4c (2.1p)
Dividend per share	4.25p	5.4c (4.7p)

Dividend

- Final Dividend proposed of 2.5 pence per share
- 24.6% increase in total distribution
- Approximately one-third of adjusted earnings distributed

* FY11 dividend declared in euro and translated to GBP at FY11 average rate

NET DEBT AND LEVERAGE



Debt

- Net debt at 28 September 2012 of £258.0m
- Increase of £118.2m driven by acquisition spend of £152.2m
- Significant improvement in operating cashflow drives net cash inflow of £34.0m
- The Group is well financed with total committed facilities of £438m and weighted average maturity of 3.3 years at 28 September 2012

Leverage

- Simple leverage of 2.75 times
- Leverage calculation for covenant purposes below 2.5 times
- Group's intention to focus on further de-leveraging throughout FY13

CASHFLOW

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Significant improvement in operating cashflow

£m	FY12	FY11	Improvement
EBITDA	93.5	69.9	+£23.6m
Working capital movement	23.4	(1.6)	+£25.0m
Net capex	(30.4)	(23.0)	
Interest & tax	(13.6)	(22.2)	
Operating cashflow	**72.9**	**23.1**	+£49.8m
Pension financing	(14.8)	(11.6)	
Exceptionals	(19.4)	(24.4)	
Dividends paid	(9.1)	(10.6)	
Other	4.4	(1.9)	
Cash inflow/(outflow) before M&A activity	**34.0**	**(25.4)**	+£59.4m
Acquisitions	(152.2)	(18.7)	
Rights Issue proceeds	-	68.4	
(Increase)/decrease in net debt	**(118.2)**	**24.3**	

FOCUS ON WORKING CAPITAL IMPROVEMENT

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Significant improvement in working capital - £23.4m inflow in FY12

	FY12 movement	Drivers
Inventory	£0.3m inflow	• Targeted inventory reduction in former Uniq businesses, downsizing of Minsterley • Annual improvement targets in ‘legacy’ Greencore businesses
Receivables	£4.3m inflow	• Disciplined management to terms • Targeted reduction in former Uniq businesses
Payables	£18.8m inflow	• Migration of former Uniq businesses to Greencore terms • Continued improvement in terms

SUMMARY
- FINANCIAL PERFORMANCE

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- Strong financial and operating performance despite challenging market conditions
- Substantial increase in revenue, operating profit and earnings
- Substantial increase in operating cashflow
- Covenant test leverage below 2.5 times
- Adjusted EPS growth of 21.9% to 12.8p

OPERATING
&
STRATEGIC REVIEW

PATRICK COVENEY
CHIEF EXECUTIVE OFFICER

DELIVERING STRONGLY AGAINST OUR ECONOMIC MODEL

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	LONG TERM TARGETS	DELIVERY	DRIVERS
Revenue*	*LFL growth >5%*	**7.4%**	• Against total food market growth of 3.1%** and chilled prepared foods growth of 5.0%** • Thoughtful category selection and strong commercial relationships • Innovation to drive consumer and customer excitement • Sustained market share growth
Operating Margins*	*>6%*	**6.3%**	• Continuous productivity enhancement • Inflation recovery and margin management • High performance culture
Returns On Capital	*ROIC >12%*	**11.9%**	• Tight management of fixed and working capital • Sustained profit progression
Target Leverage	*Net debt/EBITDA at c.2.0 - 2.5 times*	**<2.5**	• Cash generation • Disciplined investment decisions

* Convenience Foods division
** Nielsen 52 w/e 13 October 2012

FY12 PERFORMANCE PRIORITIES

1. **SUSTAIN** strong like-for-like revenue momentum across the portfolio

2. Flawlessly **INTEGRATE** the Uniq business

3. **RESHAPE** our strategy, footprint and performance trajectory in the US

1 CORE BUSINESS PERFORMANCE
- TACKLING MARKET CHALLENGES

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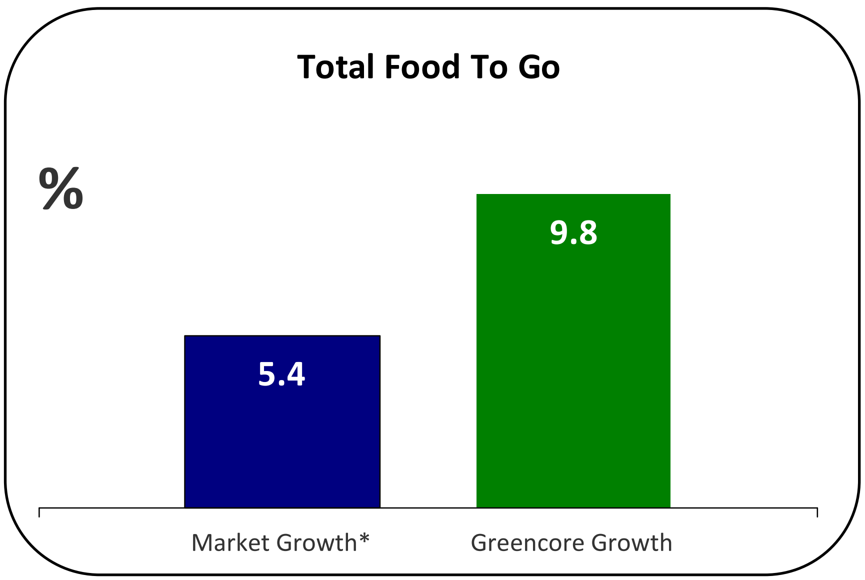
Challenge	Greencore action	Impact
Input price inflation of c.4%	• Product and packaging solutions to minimise impact • 'Total Lowest Cost' and 'Lean Greencore' programmes to reduce labour and overheads • Price increases and changes to promotional activity	• 'Cash margin' broadly maintained • Customer and supplier relationships protected
Consumer slowdown and increased competitive intensity at retailer level	• Balanced exposure to all UK retailers • Focus on products and categories growing ahead of overall food market • Ranges and promotional programmes reconfigured to meet 'value' needs of consumers	• Greencore revenue growth significantly ahead of UK food growth in FY12, albeit with growth moderating through the year • Commitment to deliver winning solutions to all customers

1 CORE BUSINESS PERFORMANCE
- FOOD TO GO



- Represents c.40% of Convenience Foods revenues with broad customer and format exposure
- Category includes sandwiches, baguettes, sushi, ready to eat salads and side of plate salads
- Growth was volume led with selected new business wins and effective 'Meal Deal' promotions across the market
- Spalding salads business fully integrated into Greencore Food to Go – strong performance with new business gains

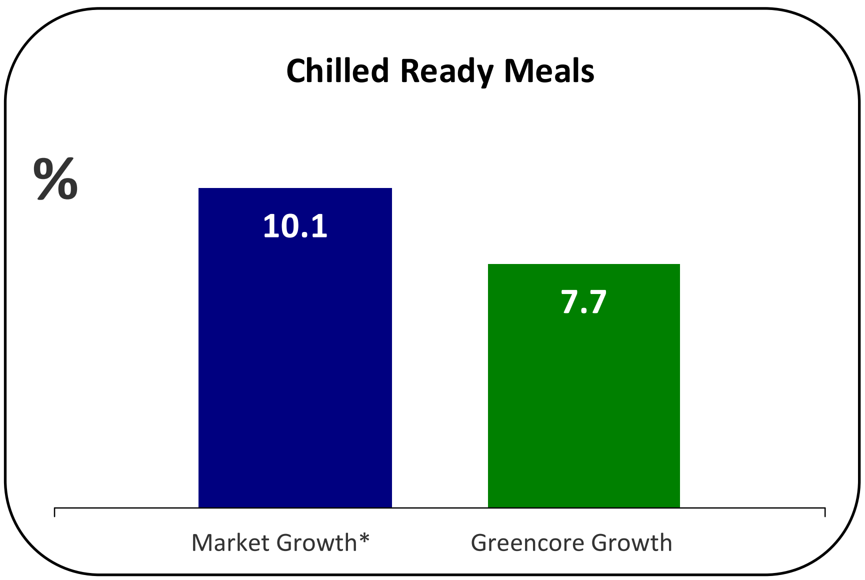
* Estimated Nielsen 52 w/e 15 September 2012 and Greencore retail sales figures

CORE BUSINESS PERFORMANCE

1 - PREPARED MEALS

28%**

Market share chilled Italian meals



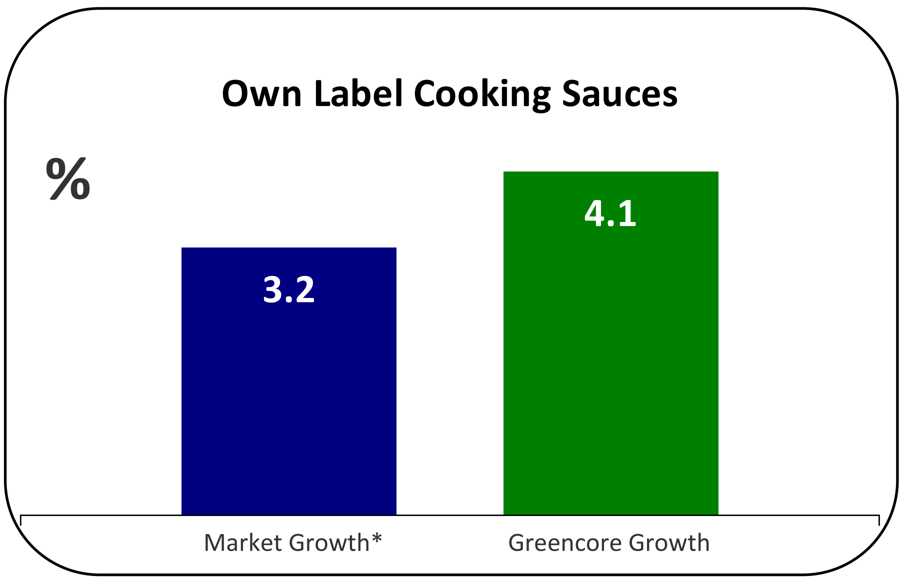
- Re-shaped business with strong market positions in chilled ready meals, quiche, pasta sauces and soups
- Now manufacturing from five UK facilities, including newly acquired Consett facility – with broadening customer mix
- Good growth delivered across customer and product portfolio in ready meals and soup, modest declines in chilled sauces and quiche
- Significant input cost inflation, primarily in proteins and egg

* Nielsen 52 w/e 15 September 2012

** Estimated Nielsen 52 w/e 15 September 2012 and Greencore retail sales figures

1 CORE BUSINESS PERFORMANCE
- GROCERY & FROZEN FOODS

79%**
Market share own label cooking sauces



- Grocery activity focused on cooking sauces, table sauces and pickles; Frozen Foods comprised of Yorkshire puddings and toad-in-the-hole
- Good own label growth despite high level of promotional activity from branded manufacturers in H2 FY12
- Manufacturing scale and capability underpins economic model

* Nielsen 52 w/e 15 September 2012
** Estimated Nielsen 52 w/e 15 September 2012 and Greencore retail sales figures

2 UNIQ INTEGRATION - SUCCESSFULLY DELIVERED

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1. Commercial

- Performance sustained in high performing Northampton sandwich business
- Successful addition of Marks & Spencer as a material new customer
- Restructuring and refocus of desserts business now largely complete
- Spalding salads business completely integrated within Greencore Food to Go

2. Cost Synergies

- Complete removal of all corporate and divisional overheads
- Enhanced Group scale offering purchasing and supply chain synergies
- Run rate saving of £10m now achieved with in-year over delivery in FY12

3. Finance & Working Capital

- Material reduction of ETR and cash tax delivered with support of acquired tax assets
- Significant working capital released across the acquired business

2 UNIQ INTEGRATION
- COMMERCIAL REBALANCING

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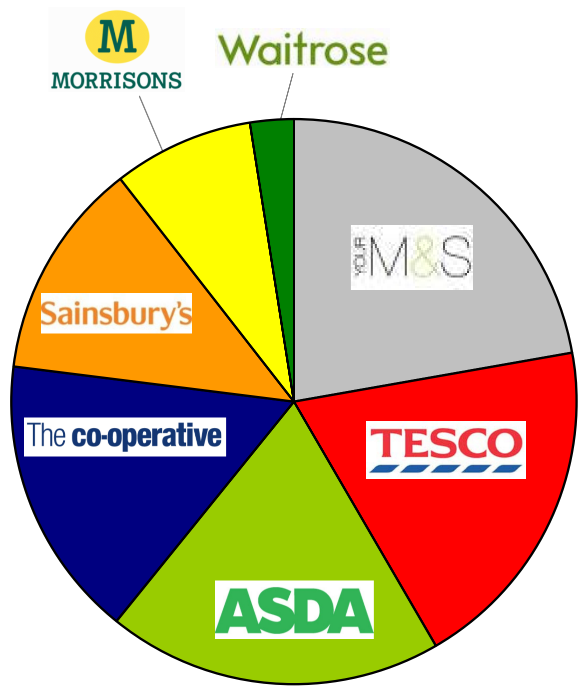
FY11

FY12



- A more balanced customer mix
- Reflects the relative size of customer shares in UK convenience foods
- Now serving full range of value to premium tiers

Source: Estimated based on Greencore retail revenue for FY12, excluding Uniq activity exited and to be exited

3 EVOLUTION OF OUR US BUSINESS

	2008 *US market entry*	**2010** *Emergence of food to go*	**2012** *Focused, scaled-up business*
Key Event	• Acquisition of Home Made Brand Foods	• Addition of On A Roll	• Acquisitions of Market Fare and Schau and addition of Starbucks
Regions	• North Eastern region	• North Eastern region	• Multi regional
Categories	• Multi category business	• Increasing exposure to food to go	• Focus on food to go
Channels	• Grocery retail customers	• Grocery retail and convenience stores	• Focus on convenience stores and small store channel






3 US STRATEGY
- STRATEGY DRIVEN BY KEY LEARNINGS

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Strategy	Rationale
Develop Market-specific Consumer Propositions	• Role of ‘day-part’ in shopping/consumption • Portion sizes and regional tastes • Packaging and shelf life considerations
Focus on Small Store Channels	• Emerging role of fresh food in small store format strategy • True commercial partnership/longer term contracting models • Rate of sale and in-store competition challenges in grocery formats
Build Manufacturing Scale in Food to Go	• Recent emergence of larger scale category specialists • Driving capability and scale differences • Customers seeking multi-regional supply solutions
Commit to Food Safety as a Source of Competitive Advantage	• Appropriate focus on enhancing food safety outcomes • Embedded inspection models with zero-tolerance testing regimes • Significant regional and agency differences
Selectively Leverage Our UK Food to Go Capabilities	• Enormous value placed on UK experience especially in manufacturing • But must be tailored to local market and delivered locally

3 US STRATEGY
- CHANNEL, CUSTOMER AND CATEGORY FOCUS

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- A focused, channel specific business with over 85% of pro-forma revenues in food to go products
- Pro-forma revenues of c. $200m+ with capacity to deliver c. $350m of revenue with existing customers from current sites
- Business and economic model starting to deliver results
- Ongoing food to go capability building/transfer across the Group

National Convenience & Coffee Shop Customers

- 80% pro-forma revenues
- Food to go focus
- Key customers:

East Coast Regional Grocery Customers

- 20% pro-forma revenues
- Broad chilled deli range including food to go
- Key customers:

FY12 PERFORMANCE PRIORITIES

1. **SUSTAIN** strong like-for-like revenue momentum across the portfolio
2. Flawlessly **INTEGRATE** the Uniq business
3. **RESHAPE** our strategy, footprint and performance trajectory in the US

DELIVER strong cashflow to deleverage the Group in an uncertain market

A FOCUSED GROWING CONVENIENCE FOOD LEADER

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Revenue £1.2bn

	UK Food to Go	UK Prepared Meals	UK Grocery & Frozen Foods	UK Cakes & Desserts	US Convenience	Ingredients & Property
% of run rate revenue	40 ⬆⬆	20	10	15	10 ⬆⬆	5 ⬇

- Scale UK business with strong market leading positions and broad customer mix
- Significant recent growth in food to go positions and capabilities across the Group
- Growing, focused US business in convenience store and small store channels

OUTLOOK

- Market conditions remain challenging in the UK
  - Like for like volume pressures in the UK grocery market
  - Little economic growth
  - Consumers under considerable financial pressure
  - Continued input cost inflation in FY13
- The Group remains well positioned to deliver further progress in FY13 and beyond

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bringing
convenience
to good food