GREENCORE GROUP PLC
FULL YEAR RESULTS STATEMENT
STRONG REVENUE AND EARNINGS PERFORMANCE DRIVEN BY FOOD TO GO

25 November 2014
Greencore Group plc, a leading international convenience food business, today issues its results for the year ended 26 September 2014.

FINANCIAL HIGHLIGHTS
- Group revenue of £1,273.5m, up 6.4% (as reported) and up 7.4% on a like for like[1] basis
- Convenience Foods revenue of £1,213.4m, up 8.4% on a like for like[1] basis
- Group operating profit[2] up 11.4% to £82.9m
- Group operating margin[2] of 6.5%, a 30 bps increase
- Net exceptional charge of £11.4m, of which £8.3m relates to non-cash items
- Growth in adjusted EPS[3] of 13.6% to 15.9p
- Proposed final dividend of 3.25 pence per share, giving a total dividend of 5.45 pence per share, up 13.5%
- A reduction in net debt of £20.7m to £212.1m with net debt: EBITDA leverage comfortably below 2.0 times

STRATEGIC DEVELOPMENTS
- Further build out of US food to go business with the acquisition of Lettieri's LLC ("Lettieri's"), investment in frozen production in Jacksonville, new site construction in Rhode Island and the announcement today of the development of our first West Coast facility
- Major multi-year investment programme in Northampton food to go facility to facilitate new business win and meet market growth
- Disposal of foodservice desserts business, Ministry of Cake

SUMMARY FINANCIAL PERFORMANCE

	FY14 £m	FY13 £m	Change (as reported)	Change (like for like[1])
Group revenue	1,273.5	1,197.1	+6.4%	+7.4%
Group operating profit[2]	82.9	74.4	+11.4%	
Group operating margin[2]	6.5%	6.2%	+30 bps	
Adjusted PBT[3]	68.7	59.5	+15.5%	
Adjusted EPS (pence)[3]	15.9	14.0	+13.6%	
Proposed dividend per share (pence)	5.45	4.8	+13.5%	
Net debt	212.1	232.8	-£20.7m	
Convenience Foods Division				
Revenue	1,213.4	1,129.2	+7.5%	+8.4%
Operating profit[2]	80.7	72.2	+11.8%	
Operating margin[2]	6.7%	6.4%	+30 bps	

Commenting on the results, Patrick Coveney, Chief Executive Officer, said:
"This has been a year of strong strategic, operational and financial progress for Greencore. The Group's focus on extending our leadership in the food to go market is yielding great results, with like for like revenue growth in that area of the business exceeding 15%. We have strong market positions, a clear strategy, and are continuing to lay the foundations for future growth through a significant capacity and capability investment programme in both the UK and the US. We enter the new financial year with good momentum and remain well positioned to deliver further progress in FY15 and beyond."

[1] References to like for like ("LFL") revenue growth exclude the desserts activity which was sold to Müller Dairy UK in January 2013, revenue from Ministry of Cake which was sold in May 2014, Lettieri's revenue since acquisition in February 2014 and are expressed in constant currency.
[2] EBITDA, operating profit and operating margin are stated before exceptional items and acquisition related amortisation. These are non-IFRS measures; IFRS measures are from page 10 onwards. Operating profit, financing and tax for FY13 have been restated to reflect the impact of IAS19 (Revised 2011): Employee Benefits ("IAS 19 (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. FY13 comparatives have been restated to reflect the impact of IAS19 (Revised).
[4] Market / category growth rates are based on Nielsen data for the 52 weeks to 27 September 2014.

Presentation

A presentation of the results for analysts and institutional investors will take place at 8.30am today at the offices of Jefferies Hoare Govett, 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 1900
Pass code:	2992029#

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 access this replay, please dial:

Ireland replay number:	+353 1 486 0902
UK replay number:	+44 20 3427 0598
Replay code:	2992029#

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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 – Food to Go Focus

Over the last five years, Greencore has evolved into a focused, fast growing international convenience food business. We have refined this strategy further in the last 18 months to focus on deepening our leadership in the food to go segment where we see the most favourable, long-term consumer and channel trends. This food to go proposition is supplemented with complementary, market leading positions in other categories.

During FY14, like for like revenue growth in our food to go businesses was outstanding, exceeding 15%. We also continued to lay the foundations for future growth by commencing a significant capacity investment programme in both the UK and US to enable us to service known customer initiatives.

In the UK, this programme includes a £30m capacity investment in the Northampton food to go facility to facilitate a new business win and to service committed growth initiatives with that customer.

In the US, we are building a national food to go business of real scale. To facilitate this, we are undertaking a significant and complex programme of development. During the year, we undertook a £7m capacity investment in the Jacksonville facility to manufacture frozen food to go products for a key customer. In February 2014, we acquired Lettieri's, a leading manufacturer of frozen food to go products for the US convenience market, with significant surplus production capacity. In March 2014, we announced the construction of a new facility in Rhode Island at a cost of approximately £20m which will facilitate the closure of two leased sites in Massachusetts and generate annualised savings, once fully realised, estimated at £5m.

Today, we are announcing the development of our first West Coast facility in Washington State. This facility will provide both production capacity and a development unit and will enable us to service a contract, which we are acquiring, with a key customer from H2 FY16. The total cost of the initiative is expected to be approximately £20m.

The US business is experiencing rapid growth but is not yet operating at Group average operating margin levels. This is due both to the learning curve and ramp-up costs on the various growth initiatives as well as site specific challenges in Newburyport and Brockton. The delivery and integration of confirmed new business together with the successful implementation of these large projects should enable us to bring the US business up to Group average operating margin in due course.

Having sold the Minsterley chilled desserts facility in January 2013, we focused the portfolio further with the disposal of the foodservice desserts business, Ministry of Cake, in May 2014.

Financial and Operating Performance[1,2, 3]

Whilst the UK food retail environment overall remains challenging, our portfolio of products continues to benefit from the high rate of opening of convenience stores combined with increasing employment levels. Weather patterns were also favourable overall with a mild winter and a reasonable summer. Reported Group revenue increased by 6.4% to £1,273.5m with like for like revenue growth in Convenience Foods of 8.4%. Operating profit conversion was good with Group operating profit up by 11.4% leading to a 30 basis points increase in operating margin. Adjusted earnings per share were 13.6% higher as a result of the growth in operating profit combined with lower financing costs.

Despite the increase in capital expenditure, the Group again delivered a strong performance on cash generation. Net debt decreased by £20.7m to £212.1m. Net debt : EBITDA leverage stands comfortably below 2.0 times as a result.

Dividends

The Board of Directors is recommending a final dividend of 3.25 pence per share. This will result in a total dividend for the year of 5.45 pence per share representing an increase in dividend per share of 13.5%, in line with the growth in adjusted earnings per share.

OUTLOOK

Greencore has strong market positions and a clear strategy. While the outlook for the UK grocery retail market is uncertain, we remain confident in our ability to deliver profitable growth across our well-focused portfolio with confirmed new business awards and exposure to the rapidly expanding convenience channel. FY15 will see a further significant step up in capital expenditure on capacity, productivity and capability initiatives; execution of these projects is a key area of focus. We enter the new financial year with good momentum and remain well positioned to deliver further progress in FY15 and beyond.

OPERATING REVIEW[1,2,3,4]

Convenience Foods

Revenue and Operating Profit

	FY14 £m	FY13 £m	Change (As reported)	Change (Like for like)
Revenue	1,213.4	1,129.2	+7.5%	+8.4%
Operating profit	80.7	72.2	+11.8%	
Operating margin	6.7%	6.4%	+30 bps	

Reported revenue in the Convenience Foods division increased by 7.5% to £1,213.4m. On a like for like basis, revenue was 8.4% ahead with the UK up by 7.5% and the US (after product exits) up by 15.3%. Growth in both the UK and US was driven by food to go performance with the UK business outperforming a buoyant market due to successful customer initiatives and the US performance driven by the roll out of products with a key customer. Operating profit increased by 11.8% to £80.7m driven by strong revenue growth and improvements in some of the lower margin parts of the UK portfolio.

UK Convenience Foods

Food to Go
The UK Food to Go business represents over 40% of Group revenue and comprises sandwiches, sushi and salads.

The sandwich category and the broader chilled food to go market (sandwiches, snack salads and sushi) experienced strong growth in FY14 with the sandwich market 9.8% ahead and chilled food to go ahead by 9.5%. The strong category growth was driven by a number of factors, including: the rate of opening of smaller convenience stores; increasing employment; a mild winter; and positive mix, as the premium sandwich market grew more quickly than the mainstream market stimulated by promotional meal deals and the improving economy.

The Food to Go business outperformed the market with revenue growth of 15.3%. This performance was driven by investment in significant relaunch activity with several key customers and net business wins. In May 2014, the business announced a significant business win and major investment in the Northampton facility. The first phase of the construction project, the extension of an existing production unit, is nearing completion. Phase two will commence shortly with the construction of a new facility on adjacent land. The first product transfer took place during September with further product transfers planned over the next quarter into the factory extension.

Prepared Meals
The Prepared Meals business comprises chilled ready meals, quiche, chilled soup and chilled sauces and represents approximately 20% of Group revenue.

The chilled ready meals market experienced growth in FY14 of 2.1%, while the Italian chilled ready meals category, our principal sub-category, grew by 4.0%. This was a little disappointing given that the horsemeat scandal depressed the market so materially in the previous year. The quiche market grew by 1.4% in the year while chilled soup declined by 4.4% in the face of a mild winter.

Revenue in the Prepared Meals business was 0.2% higher than in FY13. Revenue performance in chilled ready meals in the year was modestly ahead of the market. This was despite having exited certain product categories with our largest ready meals customer in Q1 before increasing our share in Italian ready meals from Q2. The growth was driven by successful customer relaunch activity with several key customers and the addition of a new ready meals customer. Quiche sales were lower year on year as one customer moved manufacture of some lines in house, while soup and sauce sales were broadly in line with the prior year.

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 as well as cakes and chilled desserts. It operates from four facilities and represents approximately 20% of Group revenue.

The own label cooking sauces market was 4.7% lower in the year whilst the Yorkshire Puddings market declined by 3.3%. The largest sub-category in cakes and desserts in which we participate, celebration cakes, grew by 5.4%, whilst the chilled desserts category declined by 1.0%.

Despite the subdued market performances, like for like revenue in the Grocery business (excluding the desserts activity which was sold to Müller Dairy UK Group in January 2013 and Ministry of Cake which was sold in May 2014) was 1.1% higher than in FY13. This was principally driven by a good performance in cooking sauces and dips where we continued to grow the range with a broad set of customers.

In May 2014, 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. In FY13, the business represented less than 2% of Group revenue and a similar proportion of Group operating profit. The Group recognised an exceptional charge of £6.5m in connection with the disposal as described in the Financial Review.

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. Run rate revenue is approximately 15% of Group revenue.

FY14 was again a year of significant change in the US business. Like for like revenue growth was 15.3%. Including Lettieri’s and expressed in constant currency, revenue growth was 24.7%. Underlying growth was driven predominantly by the roll out of activity with a new customer that commenced in Q2 FY13. The business continued to focus its portfolio and during the year exited further non-core lines. Without these planned exits, underlying growth would have been approximately 3.0 percentage points higher.

In February 2014, 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 and completed an investment of £7m 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 came on stream in Q4 and will support confirmed business with a leading customer.

The Group commenced construction of 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 late spring 2015, enabling the closure of both the Newburyport and Brockton sites upon lease terminations 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 £1.3m have been recognised as exceptional items as described in the Financial Review.

The Group is also announcing today the development of our first West Coast facility in Washington State. This facility will provide both production capacity and a development unit and will enable us to service a contract, which we are acquiring, with a key customer from H2 FY16.

Ingredients & Property

	FY14 £m	FY13 £m	Change Actual Currency	Change Constant Currency
Revenue	60.1	67.9	-11.5%	-9.7%
Operating profit	2.2	2.2	n/a	n/a

The Ingredients and Property division represented 5% of Group revenues in the year and a smaller proportion of Group profits. The revenue decline in the year was predominantly driven by lower commodity prices in edible oils and lower volumes in the molasses feed business given better weather than in FY13. Operating profit was unchanged due to better mix and tight cost control.

In July 2014, the Group completed the sale of residential land in Littlehampton, West Sussex, resulting in proceeds of £16.5m. The Group has retained land with commercial planning consent and will look to market this by 2017. The transaction resulted in an exceptional charge of £3.5m as described in the Financial Review.

FINANCIAL REVIEW[2,3]

Revenue and Operating Profit

Reported revenue in the year was £1,273.5m, an increase of 6.4% versus FY13. Group operating profit of £82.9m was £8.5m or 11.4% higher than in FY13. Group operating margin was 6.5%, 30 basis points ahead of the prior year. The improvement in operating profit and operating margin was driven by strong growth in revenue and improvements in some lower margin parts of the UK portfolio.

Interest Payable

The Group's bank interest payable in FY14 was £14.9m, a decrease of £0.6m. This was driven by a combination of lower average net debt and a lower effective interest rate payable on the Group's facilities. The composition of the charge was £13.3m of interest payable, commitment fees for undrawn facilities of £1.0m and an amortisation charge in respect of facility fees of £0.6m.

Non-Cash Finance Charge

The Group's non-cash finance charge in FY14 was £0.5m (£1.3m charge in FY13). The non-cash pension financing charge of £5.8m was modestly higher than the charge in FY13 of £5.5m. The change in the fair value of derivatives and related debt adjustments was a non-cash credit of £5.5m (£4.4m credit in FY13) reflecting the mark to market of 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 £0.2m.

Taxation

The Group's effective tax rate in FY14 was 1% compared to zero in FY13. This rate continues to benefit from historic tax losses.

Exceptional Items

The Group recognised a net exceptional charge of £11.4m (FY13: net credit of £18.1m), of which £8.3m relates to non-cash items. The charge is analysed as follows:

- a £9.9m 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 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 £1.3m;
- a charge of £6.5m in connection with the sale of Ministry of Cake relating to the difference between the carrying value and the consideration, together with related transaction costs;
- a non-cash credit of £3.8m following the resolution of a legacy insurance matter;
- a charge of £3.5m relating to a reduction in the carrying value of property in Littlehampton following the part disposal of the site during FY14, together with related transaction costs;

- a non-cash credit of £1.3m relating to the settlement and curtailment of liabilities in Irish pension schemes;
- a charge of £1.3m in relation to transaction and integration costs of the Lettieri's acquisition;
- a tax credit of £2.4m related to the US exceptional charges in the period, primarily due to a deferred tax movement in relation to the asset impairment charge; and
- a tax credit of £2.3m related to the resolution of a legacy tax matter.

Earnings per Share
Adjusted earnings of £63.7m were 15.6% or £8.6m above prior year. Adjusted earnings per share of 15.9 pence were 13.6% ahead of FY13.

Cash Flow and Net Debt
A net cash inflow from operating activities of £84.7m was recorded compared to an inflow of £65.8m in FY13. There was an inflow of net working capital of £9.8m in FY14 as compared to an inflow of £9.9m in FY13.

Capital expenditure of £51.3m was incurred in the year compared to £34.4m in FY13, an increase of £16.9m. The increase was driven by the major capacity investment projects in Jacksonville, Rhode Island and Northampton on which £16.7m was spent in the year.

Interest costs of £15.8m were paid in the year (FY13: £15.1m) with cash dividends to equity holders of £11.6m (FY13: £11.2m).

The Group's net debt at 26 September 2014, a seasonal low point, was £212.1m, a reduction of £20.7m from 27 September 2013. The reduction was driven by strong free cash flow conversion and lower exceptional cash spend partly offset by higher capital expenditure.

During the year, the Group refinanced $65m of maturing US private placement notes with a new eight year facility. In addition, the Group arranged a new committed non-bank debt facility of €70m with a maturity of six years. As a result, the Group is well financed with committed facilities at 26 September 2014 of £485m with a weighted average maturity of 2.7 years.

The net debt at year end of £212.1m resulted in a reduction in leverage (expressed as the ratio of net debt to reported EBITDA) from 2.3 times to 1.9 times. On a bank covenant test basis, leverage was approximately 1.75 times (FY13: 2.2 times).

Pensions
The net pension deficit (before related deferred tax) reduced to £129.5m at 26 September 2014 from £137.5m at 27 September 2013. The net pension deficit after related deferred tax was £105.6m, a decrease of £8.6m from 27 September 2013.

The fair value of total plan assets relating to the Group's defined benefit pension schemes increased to £395.4m at 26 September 2014 from £373.5m at 27 September 2013. The present value of the total pension liabilities for these schemes increased to £524.9m 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.

In FY14, the Group adopted the revised accounting standard on employee benefits, 'IAS19 (Revised 2011): Employee Benefits'. FY13 comparatives for operating profit, financing and tax have been restated. The change resulted in a higher net non-cash financing charge related to pensions as well as a higher income statement operating cost than previously but with no impact to cash funding requirements.

Key Performance Indicators[1,2,3]

The Group uses a set of headline key performance indicators to measure the performance of its operations and of the Group as a whole. Although the measures are separate, the relationship between all five is also monitored. In addition, other performance indicators are measured at individual business unit level.

Sales Growth

Group revenue increased by 6.4% in FY14.

In our Convenience Foods business, the Group measures weekly sales growth. In FY14, revenue growth was 7.5%. A more accurate guide to underlying revenue performance is provided by like for like measures which exclude the impact of acquisitions or disposals in the year and are in local currency. In the UK in FY14, we recorded like for like revenue growth of 7.5%. In the US in FY14, we recorded like for like revenue growth of 15.3%.

In the Ingredients & Property division, we track monthly sales, although this is not the primary measure of performance for this division. In FY14, the division recorded a 9.7% decline in revenue on a constant currency basis.

Operating Margin

The Group's operating margin in FY14 was 6.5% compared to 6.2% in FY13.

In Convenience Foods, the operating margin was 6.7% compared to 6.4% in FY13. This was driven by the strong growth in revenue and improvements in some of the lower margin parts of the UK portfolio.

Cash Flow

Net cash inflow from operating activities was £84.7m compared to £65.8m in FY13. The increase was predominantly driven by the increase in operating profit together with lower exceptional cash spend.

Return on Invested Capital

The Group's return on invested capital in FY14 was 13.7% (FY13: 12.7%). The return is calculated as net operating profit after tax ("NOPAT") divided by average invested capital. NOPAT is calculated as operating profit, including share of associates, less tax at the effective rate in the Income Statement of 1% (zero in FY13). Invested capital is the sum of all current and non-current assets (including intangibles), less current and non-current liabilities with the exception of net debt items, derivatives and retirement benefit obligations. The average is calculated by adding together the invested capital from the opening and closing balance sheets and dividing by two.

Adjusted Earnings Per Share

Adjusted earnings per share were 15.9 pence compared to 14.0 pence in FY13, an increase of 13.6%. Adjusted earnings per share is 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.

greencore group

GROUP INCOME STATEMENT
year ended 26 September 2014

	Notes	2014 Pre – exceptional £m	2014 Exceptional Note 3 £m	2014 Total £m	2013 As restated* Pre – exceptional £m	2013 As restated* Exceptional Note 3 £m	2013 As restated* Total £m
Revenue	2	**1,273.5**	**-**	**1,273.5**	1,197.1	-	1,197.1
Cost of sales		**(879.0)**	**-**	**(879.0)**	(838.1)	-	(838.1)
Gross profit		**394.5**	**-**	**394.5**	359.0	-	359.0
Operating costs, net		**(311.6)**	**(16.1)**	**(327.7)**	(284.6)	(8.9)	(293.5)
Group operating profit before acquisition related amortisation	2	**82.9**	**(16.1)**	**66.8**	74.4	(8.9)	65.5
Amortisation of acquisition related intangibles		**(7.7)**	**-**	**(7.7)**	(7.8)	-	(7.8)
Group operating profit	2	**75.2**	**(16.1)**	**59.1**	66.6	(8.9)	57.7
Finance income	6	**-**	**-**	**-**	0.3	-	0.3
Finance costs	6	**(15.4)**	**-**	**(15.4)**	(17.1)	-	(17.1)
Share of profit of associates after tax		**0.7**	**-**	**0.7**	0.6	-	0.6
Profit before taxation		**60.5**	**(16.1)**	**44.4**	50.4	(8.9)	41.5
Taxation		**(0.5)**	**4.7**	**4.2**	0.1	27.0	27.1
Profit for the financial year		**60.0**	**(11.4)**	**48.6**	50.5	18.1	68.6
Attributable to:							
Equity shareholders		**58.9**	**(11.4)**	**47.5**	49.4	18.1	67.5
Non-controlling interests		**1.1**	**-**	**1.1**	1.1	-	1.1
		60.0	**(11.4)**	**48.6**	50.5	18.1	68.6
Adjusted basic earnings per share (pence)	5			**15.9**			14.0
Basic earnings per share (pence)	5			**11.8**			17.1

* The comparatives for 2013 have been restated to reflect the adoption of IAS19 Employee Benefits (revised)

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
year ended 26 September 2014

	2014 £m	2013 As restated* £m
Items of income and expense taken directly within equity		
Items that will not be reclassified to profit or loss:		
Actuarial loss and release of expenses on Group defined benefit pension schemes	**(2.0)**	(19.0)
Deferred tax on Group defined benefit pension schemes	**1.1**	(2.2)
	0.9	21.2
Items that may subsequently be reclassified to profit or loss		
Currency translation adjustment	**1.0**	(1.0)
Current tax on currency translation adjustment	**-**	0.1
Hedge of net investment in foreign currency subsidiaries	**0.1**	-
Cash flow hedges:		
Fair value movement taken to equity	**(8.7)**	1.9
Transferred to Income Statement for the period	**2.7**	0.7
Deferred tax on cash flow hedges	**-**	(0.6)
	(4.9)	1.1
Net expense recognised directly within equity	**(5.8)**	(20.1)
Group result for the financial year	**48.6**	68.6
Total recognised income and expense for the financial year	**42.8**	48.5
Attributable to:		
Equity shareholders	**42.0**	47.2
Non-controlling interests	**0.8**	1.3
Total recognised income and expense for the financial year	**42.8**	48.5

* The comparatives for 2013 have been restated to reflect the adoption of IAS19 Employee Benefits (revised)

GROUP BALANCE SHEET
at 26 September 2014

	2014	2013
	£m	£m
ASSETS		
Non-current assets		
Intangible assets	**499.2**	499.9
Property, plant and equipment	**247.0**	229.2
Investment property	**7.0**	28.9
Investment in associates	**0.9**	0.8
Other receivables	**3.3**	1.1
Derivative financial instruments	**5.3**	8.2
Deferred tax assets	**70.2**	66.6
Total non-current assets	**832.9**	834.7
Current assets		
Inventories	**53.6**	53.1
Trade and other receivables	**127.3**	115.7
Derivative financial instruments	**-**	1.0
Cash and cash equivalents	**12.2**	6.3
Total current assets	**193.1**	176.1
Total assets	**1,026.0**	1,010.8
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	**4.1**	4.0
Share premium	**185.7**	177.3
Reserves	**90.4**	67.2
	280.2	248.5
Non-controlling interests	**3.4**	3.5
Total equity	**283.6**	252.0
LIABILITIES		
Non-current liabilities		
Borrowings	**229.5**	199.7
Derivative financial instruments	**6.3**	2.2
Retirement benefit obligations	**129.5**	137.5
Other payables	**2.4**	2.2
Provisions for liabilities	**3.4**	11.0
Deferred tax liabilities	**19.5**	21.3
Government grants	**-**	0.1
Total non-current liabilities	**390.6**	374.0
Current liabilities		
Bank overdrafts	**-**	4.5
Borrowings	**0.1**	44.1
Derivative financial instruments	**0.3**	0.4
Trade and other payables	**323.6**	303.2
Consideration payable on acquisitions	**-**	0.9
Provisions for liabilities	**7.2**	6.9
Current taxes payable	**20.6**	24.8
Total current liabilities	**351.8**	384.8
Total liabilities	**742.4**	758.8
Total equity and liabilities	**1,026.0**	1,010.8

GROUP CASH FLOW STATEMENT
year ended 26 September 2014

	2014 £m	2013 As restated* £m
Profit before taxation	**44.4**	41.5
Finance income	**-**	(0.3)
Finance costs	**15.4**	17.1
Share of profit of associates (after tax)	**(0.7)**	(0.6)
Exceptional items	**16.1**	8.9
Operating profit –(pre-exceptional)	**75.2**	66.6
Depreciation	**24.8**	23.7
Amortisation of intangible assets	**9.5**	9.0
Employee share based payment expense	**4.3**	2.5
Difference between pension charge and cash contributions	**(13.7)**	(11.7)
Working capital movement	**9.8**	9.9
Other movements	**0.1**	0.5
Net cash inflow from operating activities before exceptional items	**110.0**	100.5
Cash outflow related to exceptional items	**(9.1)**	(20.0)
Interest paid	**(15.8)**	(15.1)
Tax (paid)/refunded	**(0.4)**	0.4
Net cash inflow from operating activities	**84.7**	65.8
Cash flow from investing activities		
Dividends received from associates	**0.6**	0.4
Purchase of property, plant and equipment	**(47.7)**	(29.4)
Disposal/(purchase) of investment property	**15.1**	(0.5)
Purchase of intangible assets	**(3.6)**	(5.0)
Acquisition of undertakings	**(21.5)**	(3.1)
Disposal of undertakings	**7.4**	10.3
Interest received	**-**	0.2
Net cash outflow from investing activities	**(49.7)**	(27.1)
Cash flow from financing activities		
Proceeds from the issue of shares	**0.2**	0.4
Ordinary shares purchased – own shares	**(4.8)**	(0.7)
Drawdown of non-bank borrowings	**57.1**	-
Repayment of private placement notes	**(3.2)**	-
Repayment of bank borrowings	**(61.1)**	(43.1)
Increase in finance lease liabilities	**0.1**	-
Dividends paid to equity holders of the Company	**(11.6)**	(11.2)
Dividends paid to non-controlling interests	**(0.9)**	(1.0)
Net cash outflow from financing activities	**(24.2)**	(55.6)
Net increase/(decrease) in cash and cash equivalents	**10.8**	(16.9)
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of year	**1.8**	18.8
Translation adjustment	**(0.4)**	(0.1)
Increase/(decrease) in cash and cash equivalents	**10.8**	(16.9)
Net cash and cash equivalents at end of year	**12.2**	1.8

* The comparatives for 2013 have been restated to reflect the adoption of IAS19 Employee Benefits (revised)

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 27 September 2013	**4.0**	**177.3**	**107.9**	**(40.7)**	**248.5**	**3.5**	**252.0**
Total recognised income and expense for the financial year	**-**	**-**	**(4.6)**	**46.6**	**42.0**	**0.8**	**42.8**
Employee share based payment expense	**-**	**-**	**4.3**	**-**	**4.3**	**-**	**4.3**
Deferred tax on share based payments	**-**	**-**	**-**	**2.2**	**2.2**	**-**	**2.2**
Exercise, lapse or forfeit of share based payments	**0.1**	**0.6**	**(3.3)**	**3.3**	**0.7**	**-**	**0.7**
Shares acquired by Employee Benefit Trust	**-**	**-**	**(4.8)**	**0.2**	**(4.6)**	**-**	**(4.6)**
Shares granted to beneficiaries of the Employee Benefit Trust	**-**	**-**	**8.4**	**(8.4)**	**-**	**-**	**-**
Dividends	**-**	**7.8**	**-**	**(20.7)**	**(12.9)**	**(0.9)**	**(13.8)**
At 26 September 2014	**4.1**	**185.7**	**107.9**	**(17.5)**	**280.2**	**3.4**	**283.6**

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 28 September 2012							
Opening balance as previously reported	120.9	171.5	(11.8)	(83.3)	197.3	3.2	200.5
Prior year adjustment	-	-	-	13.8	13.8	-	13.8
Opening balance as restated	120.9	171.5	(11.8)	(69.5)	211.1	3.2	214.3
Total recognised income and expense for the financial year	-	-	0.8	46.4	47.2	1.3	48.5
Employee share based payment expense	-	-	2.5	-	2.5	-	2.5
Exercise, lapse or forfeit of share based payments	-	0.3	(0.7)	0.7	0.3	-	0.3
Cancellation of deferred shares	(114.9)	-	114.9	-	-	-	-
Redenomination and renominalisation of treasury shares	(2.1)	-	2.1	-	-	-	-
Shares acquired by Employee Benefit Trust	-	-	(0.7)	-	(0.7)	-	(0.7)
Shares granted to beneficiaries of the Employee Benefit Trust	-	-	0.8	(0.8)	-	-	-
Dividends	0.1	5.5	-	(17.5)	(11.9)	(1.0)	(12.9)
At 27 September 2013	4.0	177.3	107.9	(40.7)	248.5	3.5	252.0

NOTES TO THE RESULTS STATEMENT
year ended 26 September 2014

1. Basis of Preparation of Financial Information under IFRS

The financial information included within this Results Statement has been extracted from the audited consolidated financial statements of Greencore Group plc for the year ended 26 September 2014, to which an unqualified audit opinion is attached. The financial information in this announcement for the years ended 26 September 2014 and 27 September 2013 is not the statutory financial statements of the Company. The statutory financial statements of the Company for the year ended 27 September 2013, to which an unqualified audit opinion was attached, were annexed to the annual return of the Company and filed with the Registrar of Companies. The statutory financial statements of the Company for the year ended 26 September 2014 were approved by the Board of Directors and authorised for issue on 24 November 2014 and will be filed with the Registrar of Companies following the Company's annual general meeting.

The financial information presented in this Results Statement has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted by the European Union (EU).

The financial information, which is presented in sterling and expressed in millions[1] (unless otherwise stated), has been prepared under the historical cost convention, as modified by the measurement at fair value of certain financial assets and financial liabilities, including share options at grant date and derivative financial instruments. The carrying values of recognised assets and liabilities that are hedged are adjusted to record the changes in the fair values attributable to the risks being hedged. Full details of the Group's accounting policies are included in the 2014 Annual Report. The accounting policies are consistent with those applied in the Group Financial Statements for the year ended 27 September 2013.

The adoption of IAS 19 Employee Benefits (revised) resulted in a number of amendments to prior year results. The nature and effect of changes arising as a result of the adoption of IAS 19 (revised) are disclosed in note 23 to the annual report which has been published on the Greencore Group website today.

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.

The financial statements of the Group are prepared for the 52 week period ending on 26 September 2014. Comparatives are for the 52 week period ended 27 September 2013. The balance sheets for 2014 and 2013 have been drawn up as at 26 September 2014 and 27 September 2013 respectively.

2. Segment Information

The Group is organised around different product portfolios. The Group's reportable segments under IFRS 8 Operating Segments 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 foods.

Ingredients & Property – this segment represents the aggregation of 'all other segments' as allowed under IFRS 8 (IFRS 8 specifies that, where the external revenue of reportable segments exceeds 75% of 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 and molasses and the management of the Group's surplus property assets.

[1] In the current year, the Group has presented the financial statements in millions. The prior year numbers have been re-presented accordingly.

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 exceptional items 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. Inter-segment revenue is not material.

	Convenience Foods		**Ingredients & Property**		**Total**	
	2014	2013 *As restated	**2014**	2013 *As restated	**2014**	2013 *As restated
	£m	£m	**£m**	£m	**£m**	£m
Revenue	**1,213.4**	1,129.2	**60.1**	67.9	**1,273.5**	1,197.1
Group operating profit before exceptional items and acquisition related amortisation	**80.7**	72.2	**2.2**	2.2	**82.9**	74.4
Amortisation of acquisition related intangible assets	**(7.7)**	(7.8)	**-**	-	**(7.7)**	(7.8)
Exceptional items					**(16.1)**	(8.9)
Group operating profit	**73.0**	64.4	**2.2**	2.2	**59.1**	57.7
Finance income					**-**	0.3
Finance costs					**(15.4)**	(17.1)
Share of profit of associates after tax					**0.7**	0.6
Profit before taxation					**44.4**	41.5

* The comparatives for 2013 have been restated to reflect the adoption of IAS19 Employee Benefits (revised)

3. Exceptional Items

Exceptional items are those which, in management's judgement, should be disclosed separately by virtue of their nature or amount. Such items are included within the Income Statement caption to which they relate and are separately disclosed below.

		2014	2013
		£m	£m
Restructuring costs	(a)	**(9.9)**	-
Asset impairment on business disposal	(b)	**(6.5)**	-
Legacy provision release	(c)	**3.8**	-
Disposal of investment property	(d)	**(3.5)**	-
Pension settlement cost and curtailment gain	(e)	**1.3**	4.4
Transaction and integration costs of US acquisitions	(f)	**(1.3)**	(1.5)
Integration costs of UK acquisitions	(g)	**-**	(2.7)
Property related charge	(h)	**-**	(9.1)
		(16.1)	(8.9)
Tax on exceptional items	(i)	**2.4**	0.3
Exceptional tax credit	(i)	**2.3**	26.7
Total exceptional (expense)/credit		**(11.4)**	18.1

The charge is analysed as follows:

(a) Restructuring costs
During the year, the Group recognised a £9.9m 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 property, plant and equipment 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 £1.3m.

(b) Asset impairment on business disposal
During the year, the Group recognised a charge of £6.5m in connection with the sale of its Food Service Desserts business, Ministry of Cake Limited related to the difference between the carrying value and the consideration together with the related transaction costs.

(c) Legacy provision release
During the year, the Group recognised a non-cash credit of £3.8m following the resolution of a legacy insurance matter.

(d) Disposal of investment property
During the year, the Group recognised a charge of £3.5m relating to a reduction in the carrying value of property in Littlehampton following the part disposal of the site, together with related costs of disposal.

(e) Pension settlement cost and curtailment gain
During the year, the group recognised a non-cash credit of £1.3m relating to the settlement and curtailment of liabilities in Irish pension schemes. During the prior year, 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.

(f) Transaction and integration costs of US acquisitions
During the year, 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 year, the Group incurred an exceptional charge of £1.5m in connection with the integration of the acquisitions of MarketFare Foods LLC ("MarketFare") and H.C. Schau& Son Inc. ("Schau").

(g) Integration cost of UK acquisitions
During the prior year, the Group incurred an exceptional charge of £2.7m in connection with (i) the completion of the integration of the Uniq business, including the Chilled Desserts restructuring, and (ii) the completion of the integration of International Cuisine Limited ("ICL") acquired in August 2012.

(h) Property related charge
During the prior year, the Group recognised a property related charge of £9.1 million arising on its Irish property portfolio which comprised a property impairment charge together with a charge for remediation costs relating to the former sugar processing sites.

(i) Tax
During the year, a tax credit of £2.4m was recognised related to the US exceptional charges in the period, primarily due to a deferred tax movement in relation to the asset impairment charge; and a tax credit of £2.3m was recognised related to the resolution of a legacy tax matter.

During 2013, the legal integration of the Uniq business was completed. Accordingly the group reassessed the prospects of utilisation of the deferred tax attributes acquired. The reassessment indicated that the attributes would be expected to be utilised over an accelerated timeframe, such that certainty over the utilisation increased. This resulted in the recognition of a tax credit of £18.9m in 2013 which had not previously been recognised. A further tax credit of £7.8m arose as the Group resolved a number of tax positions including the settlement of an overseas tax case. A tax credit of £0.3m was recognised in respect of exceptional charges in the year.

4. Dividends paid and proposed

	2014 £m	2013 £m
Amounts recognised as distributions to equity holders during the year:		
Equity dividends on ordinary shares:		
Final dividend of 2.90 pence for the year ended 27 September 2013 (2012: 2.50 pence)	**11.8**	9.8
Interim dividend of 2.20 pence for the year ended 26 September 2014 (2013: 1.90 pence)	**8.9**	7.7
	20.7	17.5
Proposed for approval at AGM:		
Equity dividends on ordinary shares:		
Final dividend of 3.25 pence for the year ended 26 September 2014 (2013: 2.90 pence)	**13.2**	11.7

This proposed dividend is subject to approval by the shareholders at the annual general meeting and has not been included as a liability in the Balance Sheet of the Group as at 26 September 2014, in accordance with IAS 10 Events after the Balance Sheet Date. The proposed final dividend for the year ended 26 September 2014 will be payable on 2 April 2015 to shareholders on the Register of Members at 5 December 2014.

5. 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 year, excluding ordinary shares purchased by the Company and held as treasury shares and shares held in trust in respect of Deferred Bonus Awards Scheme, the Performance Share Plan and the Executive Share Option Scheme. 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 certain external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

Numerator for earnings per share calculation	**2014** £m	2013 As restated* £m
Profit attributable to equity holders of the Company	**47.5**	67.5
Exceptional items (net of tax)	**11.4**	(18.1)
Fair value of derivative financial instruments and related debt adjustments	**(2.1)**	(4.5)
FX on inter-company and external balances where hedge accounting is not applied	**(3.4)**	0.1
Amortisation of acquisition related intangible assets (net of tax)	**5.5**	5.7
Pension financing (net of tax)	**4.8**	4.4
Adjusted earnings	**63.7**	55.1

* The comparatives for 2013 have been restated to reflect the adoption of IAS19 Employee Benefits (revised)

Denominator for earnings per share calculation (thousands)	**2014**	2013
Shares in issue at the beginning of the year	**401,368**	394,356
Effect of Treasury shares	**-**	(2,553)
Shares held by Employee Benefit Trust	**(3,797)**	(2,896)
Effect of shares issued during the year	**3,673**	4,693
Weighted average number of ordinary shares in issue during the year	**401,244**	393,600

	2014 Pence	2013 Pence
Basic earnings per ordinary share	**11.8**	17.1
Adjusted basic earnings per ordinary share	**15.9**	14.0

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 options, 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 8,175,423 (2013: 8,757,933) 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.

A reconciliation of the weighted average number of ordinary shares used for the purpose of calculating the diluted earnings per share amounts is as follows:

Denominator for diluted earnings per share calculation (thousands)	**2014**	2013
Weighted average number of ordinary shares in issue during the year	**401,244**	393,600
Dilutive effect of share options	**10,819**	8,621
Weighted average number of ordinary shares for diluted earnings per share	**412,063**	402,221

	2014 Pence	2013 Pence
Diluted earnings per ordinary share	**11.5**	16.8
Adjusted diluted earnings per ordinary share	**15.5**	13.7

6. Net Debt and Financing

	2014 £m	2013 As restated* £m
Net debt		
Current assets		
Net cash and cash equivalents	**12.2**	1.8
Current liabilities		
Private placement notes	**-**	(44.1)
Finance leases	**(0.1)**	-
Non-current liabilities		
Bank borrowings	**(68.1)**	(129.7)
Private placement notes	**(105.8)**	(68.9)
Non-bank borrowings	**(54.5)**	-
Finance leases	**(1.1)**	(1.1)
Cross currency interest rate swaps – fair value hedges	**5.3**	9.2
Group net debt	**(212.1)**	(232.8)

* The comparatives for 2013 have been restated to reflect the adoption of IAS19 Employee Benefits (revised)

Net debt is a Non-IFRS measure used by the Group.

Finance (costs)/income	**2014**	2013
	£m	£m
Net finance costs on interest bearing cash, cash equivalents and borrowings	**(14.9)**	(15.5)
Net pension financing	**(5.8)**	(5.5)
Fair value of derivative financial instruments and related debt adjustments	**2.1**	4.5
Foreign exchange gain on intercompany and external balances where hedge accounting is not applied	**3.4**	(0.1)
Unwind of discount on assets and liabilities	**(0.2)**	(0.2)
	(15.4)	(16.8)
Analysed as:		
Finance income	**-**	0.3
Finance costs	**(15.4)**	(17.1)
	(15.4)	(16.8)

7. Acquisition and disposal of undertakings

Lettieri's

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

	2014
	£m
Assets	
Intangible assets	5.6
Property, plant and equipment	2.1
Inventory	1.7
Trade and other receivables	1.1
Total assets	10.5
Liabilities	
Trade and other payables	(1.5)
Provisions	(0.2)
Total liabilities	(1.7)
Net assets acquired	8.8
Goodwill	11.8
Total enterprise value	20.6
Satisfied by:	
Cash payments	20.5
Cash and cash equivalents acquired	0.1
Net cash outflow	20.6

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.

Ministry of Cake disposal
On 14 May 2014 the Group disposed of its food service desserts business, Ministry of Cake (MOC) which was part of the Convenience Foods segment. The loss on disposal of this business was recognised in the Group Income Statement.

	At disposal
	£m
Intangible assets	3.8
Property, plant and equipment	3.7
Inventory	3.0
Trade and other receivables	5.3
Total assets	**15.8**
Bank overdraft	(0.4)
Trade and other payables	(5.1)
Deferred tax liability	(0.6)
Total liabilities	**(6.1)**
Total enterprise value at date of disposal	**9.7**
Loss on disposal*	(0.6)
Working capital and related adjustments	0.8
Adjustment of deferred consideration to present value	0.6
Disposal related costs	0.5
Total consideration	**11.0**
Reconciliation of consideration received to cash received	
Total consideration	11.0
Deferred consideration	(3.0)
Working capital and related adjustments on completion	(0.4)
Net consideration received on completion	**7.6**
Disposal related costs paid	(0.2)
Cash payments	**7.4**
Satisfied by:	
Cash payments	7.0
Bank overdrafts disposed of	0.4
Net cash inflow arising on disposal	**7.4**

* A non cash impairment charge of £5.9m was recognised on the write down of the carrying amount of the disposal group to its fair value less costs to sell at March 2014 and has been included in exceptional items (note 3) in the Group Income Statement.

8. Information
The annual report and accounts will be published on the Group's website on 25 November 2014.

By order of the Board, Conor O'Leary, Company Secretary on 24 November 2014.
Greencore Group plc, 2 Northwood Avenue, Santry, Dublin 9, Ireland.