Quality

Innovation

Bringing Convenience to Good Food

Efficiency

greencore group plc

Interim Report 2010

INTERIM MANAGEMENT REPORT
for the half year ended 26 March 2010

Greencore Group plc, a leading international convenience food producer, today announces its results for the half year ended 26 March 2010.

Highlights [1&2]

Financial

- Group sales of €434.5m from continuing operations, an increase of 2.1%
- Group operating profit[2] from continuing operations of €27.7m, an increase of 43%
- Group operating margin[2] from continuing operations of 6.4% compared to 4.5% in the first half of FY'09
- Adjusted EPS[3] of 8.5c up 14.9% on the 7.4c recorded in the first half of FY'09
- Net exceptional gain of €8.5m on the disposal of discontinued Malt and Water businesses
- 41.6% reduction, year on year, in comparable net debt to €194.2m from €332.6m at the end of March 2009
- Retained profit of €25.2m compared to retained loss of €32.4m for the first half of FY'09
- Interim dividend of 3.0 cent per share (interim dividend FY'09: 3.0 cent)
- Increase in net assets (total equity) of €27.2m, or 15.8%, compared to position at end of FY'09

Strong performance in Convenience Foods

- Sales from continuing operations of €397.0m, an increase of 6.1% on the first half of FY'09
- Operating profit[2] from continuing operations of €25.9m, an increase of 31.8% on the first half of FY'09
- 130 bps increase in operating margin[2] from continuing operations to 6.5% (H1'09: 5.2%)
- 27% sales growth in US compared to first half of FY'09
- Following the disposal of Malt, Convenience Foods represents in excess of 90% of Group sales and operating profit

Portfolio change and other highlights

- Malt disposal completed for a maximum consideration of up to €116.25m. €106.4m was received on completion on 26 March 2010 with an additional €5.6m contributed by the purchasers to Malt pension scheme liabilities
- Water business disposed of for a maximum consideration of €17.9m of which €14.1m was received on completion on 26 March 2010
- Remaining Ingredients & Property activity trading solidly but representing less than 10% of Group sales and operating profit post the disposal of Malt
- No new restructuring items in first half or planned for remainder of FY'10

Commenting on the results, Patrick Coveney, Group chief executive, said:

"Our business is performing very strongly with operating profits up 43%, EPS up 15%, debt down by 42% and a positive outlook for the rest of the year. In the last six months we have successfully completed the disposals of our Malt and Water businesses and in so doing have both tightened our portfolio and significantly strengthened our balance sheet. We have much still to do to deliver on the potential of our business, but we go forward with a clear strategy, a strong stable team and excellent performance momentum."

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1 Continuing operations comparisons exclude disposed activities (Malt in the Ingredients & Property division and Water in the Convenience Foods division).
2 Before exceptional items and acquisition related amortisation.
3 Before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external loan balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

Presentation

A presentation of the results will be made to analysts and institutional investors at 8.30am on Tuesday, 25 May 2010 at The Brewery, Chiswell Street, London EC1Y 4SD.

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

Ireland number: + 353 (0) 1 4860916
UK number: + 44 (0) 20 7806 1968
Pass code: 1934379

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 until midnight of 31st May 2010. To dial into the replay -
Ireland number: +353 (0) 1 4860902
UK number: +44 (0) 20 7111 1244
Pass code: 1934379#

For Further Information, Please Contact

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Greencore Group

- A leading international producer of convenience food
- Strong market leadership positions in the UK convenience food market across sandwiches, chilled prepared meals, chilled soups and sauces, ambient sauces & pickles, cakes & desserts and Yorkshire puddings
- Extending presence outside the UK with fast-growing convenience food businesses in the US

Summary [1,2&3]

Overall

The Group delivered a strong performance overall with an adjusted EPS[3] of 8.5 cent, 14.9% ahead of the comparative amount for FY'09. The EUR/GBP exchange did not impact the year on year results comparison with the average EUR/GBP rate of 0.888 similar to that in the first half of FY'09 (0.886). Group operating profit[2] from continuing operations of €27.7m increased by 43% with the Group operating margin[2] from continuing operations increasing by 190 bps to 6.4%. A key highlight of the period was the disposal of the Group's Malt and Water businesses for an aggregate maximum total consideration of €134.2m including cash received on completion of €120.5m. The Group emerged at the end of March 2010 as a focussed, strong performing convenience foods business with 41.6% less comparable net debt than at the end of March 2009.

Convenience Foods

Following the disposal of Malt, Convenience Foods comprises over 90% of Group operating profit. The division recorded a very strong first half benefiting both from positive consumer trends, with more food consumed at home, and an improved capacity environment in the UK. Sales from continuing operations of €397.0m increased by 6.1% with most category businesses experiencing a recovery of volume compared to the first half of FY'09. Operating profit[2] from continuing operations of €25.9m increased by 31.8%. The Group's Water business was disposed of during the first half of FY'10. These comparisons are against a weak first half in FY'09 although, notably, operating profit[2] in the division is ahead by 10.2% on the first half performance of two years ago in FY'08. The operating margin from continuing operations increased by 130 basis points, compared to the first half of FY'09, to 6.5% reflecting the benefits of volume growth, operating efficiency measures and productivity growth in the period.

Malt disposal

The Group's Malt business was disposed of on the last day of the period, 26 March 2010. Sales of €90.6m were down 19.8% on the first half of FY'09. Operating profit[2] of €9.6m decreased by 18.5% reflecting the impact of weaker sales with reduced domestic and export demand for Malt.

Finance and Treasury

Following the disposal of Malt the Group's comparable net debt has reduced from €283.8m at the end of FY'09 to €194.2m at 26 March 2010. Given the seasonal nature of the Group's cash flows the comparison to H1'09 highlights a 41.6% reduction in comparable net debt in that period from the €332.6 amount reported at the end of March 2009. Bank interest payable of €13.9m increased by 12.7% on the H1'09 charge reflecting higher interest margins following the refinancing of the Group's syndicated bank facility in April 2009. Bank interest payable is expected to decrease by approximately €3.5m before taxation in the second half of the year, compared to H2'09, due to the significant reduction in Group net debt and an associated reduction in fixed interest rate contracts. A net exceptional gain of €8.5m was recorded on the disposal of the Group's Malt and Water businesses. In accordance with accounting standards foreign exchange movements previously charged to reserves have been recycled through the income statement. The total increase in Group net assets resulting from disposals was €15.8m when account is taken of these recycled foreign exchange movements of €7.3m. The Group's effective tax rate for H1'10 was 18% which is modestly higher than the 16% for FY'09. Group profit after tax was €25.2m in H1'10 compared to a retained loss in the same period last year of €32.4m.

Dividends

The Board of Directors is recommending an interim dividend of 3.0 cent per share (2009:3.0 cent)

Outlook

Trading in Convenience Foods was very strong, albeit against a weak comparative in the first half of FY'09. The second half of the year has started well and we remain on track to deliver good operating profit growth in FY'10 in Convenience Foods, albeit with the seasonally more important summer period to come and a more demanding comparative in the second half than was the case in the first half of the year.

Our interest expense will be lower in the second half of FY'10 as compared to same period in FY'09 by circa €3.0m after tax reflecting the lower level of Group net debt following the disposals of Malt and Water.

The combined effects, in the remaining part of FY'10, of growth in operating profit in Convenience Foods and the reduction in the Group's interest expense is expected to significantly offset the loss of Malt earnings following its disposal. Taking account of all of the above, and assuming an average EUR/GBP exchange rate in the remainder of the year in the range of 0.85 to 0.90, the Group is on track to deliver an adjusted EPS[3] of approximately 16.0 cent for the current year.

Review of Operations

Convenience Foods

	H1 FY'10 €'m	H1 FY'09 €'m	Change
Turnover – continuing*	397.0	374.0	+6.1%
Operating profit[2]	25.9	19.6	+31.8%
Operating margin[2]	6.5%	5.2%	

** excludes Water business disposed of*

The Convenience Foods division had a very strong first half compared to the first half of FY'09. Taking a two year view, and comparing against the first half of FY'08, the division is showing profit growth of 10.2% over that period. The convenience foods market in the UK has moved on significantly from the uncertainty it experienced in the early part of FY'09. Consumers have adjusted to a new economic environment with patterns such as a decline in out of home eating benefiting the demand for our core proposition. Additionally, consumers have responded well to new product development (NPD) initiatives with a return of some consumers who had retreated from certain categories, such as prepared ready meals, now attracted back to the market. The capacity environment in the UK has improved with an overall market reduction in invested capital in chilled food over the last eighteen months. We continue to be encouraged by the prospects for fresh food in the US with sales in the first half increasing by 27% versus the same period last year.

UK Convenience Foods

- **Food to Go**

Food to Go is our largest category business comprising fresh sandwiches, salads and sushi. We have seen a strong year on year consumer return to the food to go fixture with 'Meal Deals' of increased importance and salads and sushi growing significantly as an accompaniment to sandwiches. The sandwich market grew by 6.4% in the 52 weeks to 21 March 2010 with Greencore growing its volumes by 7.4% in the same period. The significant mix change to cheaper sandwiches, which was most pronounced in the first half of FY'09 has settled in the first half of FY'10 with overall mix comparable to that at the beginning of FY'10. We continue to grow the % of our volumes distributed directly to store by our food to go distribution business. We distributed 42% of our manufactured volume direct to store in the first half of FY'10 compared to 33% in the first half of FY'09. In what is a fresh, short shelf life proposition the combination of our excellence in manufacturing and our ability to distribute direct to store nationally six days per week in the UK is unique.

- **Prepared Meals**

Our Prepared Meals business comprises two broad categories, chilled ready meals (CRM) and quiche. The performance of our Prepared Meals business was significantly ahead of the same period last year for three key reasons. Firstly, consumers have been attracted back into the category driven by strong NPD and promotional activity. Consumers are reducing their out of home dining frequency and increasing food consumption at home whilst still needing convenience. Secondly, the customers we serve are performing better than the overall market. In partnership with our customers we have been investing in a category rejuvenation process, for over twelve months, and are now winning share with both existing and new customers who in turn are attracting more consumers. The CRM market grew by 3.6% in the 52 weeks to 21 March 2010 with Greencore growing its volumes by 9.8% in the same period. In value terms the CRM market grew by 5.1% in the same period with Greencore growing its value by 15.5%. The third factor is capacity. For many years the ability to earn an economic return in the CRM category has been hampered by excess manufacturing capacity. There have been six scale factory closures in the last two years which have gone some way towards rebalancing supply and demand. We now earn a return on capital in CRM much closer to our portfolio average.

- **Grocery**

Our grocery business comprises ambient cooking sauces, pickles and salad dressings. The category recorded a strong first half benefiting fully from the program of business simplification which was first embarked on two years ago. In that time frame the business has eliminated a number of loss making and uneconomic SKUs with the total SKU count at the end of March 2010 numbering 470 compared to 1,200 in March 2008. The exit of non core and uneconomic categories (condiments, sandwich spread, sweet spreads as well as low margin contract packing business) was completed by the end of March 2010. Category profitability was well ahead of last year's first half although sales decreased by 8.7% due to the SKU rationalisation. Our market shares in the UK private label cooking sauces and pickles markets are 64% and 53% respectively and this, allied to our manufacturing scale (Europe's largest cooking sauce facility), is supporting our business strongly.

- **Cakes and Desserts**

Our Cakes and Desserts business had a satisfactory first half in a difficult environment. The market has been driven significantly by promotional activity which, although driving sales growth, has impacted margins. Consumers generally have traded down in the category and reduced their purchasing frequency of higher tier lines.

- **Chilled Sauces and Soups**

The category had a very good first half with our performance in soup being a particular highlight. An increasing number of consumers are buying into the chilled soup category with penetration reaching 30%, a record level, boosted by the cold winter. The chilled soup category grew by 9% in the 52 weeks to 21 March 2010 with Greencore's business growing by 26%, albeit from a small base in the same period. Pasta sauce volumes held up well in the first half of the year with more promotional activity than in the first half of FY'09.

- **Frozen Yorkshire Puddings**

Our frozen Yorkshire pudding business had a solid first half in an environment of increased competition from the branded competitor and significant promotional activity. A fire occurred at our manufacturing facility in Leeds in March with the Group having adequate insurance cover in place to cover losses associated with business interruption and to restore the plant in the coming months. The site was back in production in April albeit with reduced capacity until the re-fit is completed over the summer. The busiest season for Yorkshire puddings is the winter period. The overall market is flat year on year with our performance slightly behind this due to share gain by its principal branded competitor.

- **Foodservice Desserts – Ministry of Cake**

Our Foodservice Desserts business had a solid first half with the overall market flat year on year. Our business traded modestly ahead of this with the Christmas market proving to be particularly buoyant. We continue to focus on building scale trading relationships and are now the number 1 foodservice desserts supplier to leading foodservice players such as Brakes, Greene King, Caffé Nero and Whitbread.

International Convenience Foods

- **US Convenience Foods**

Our US business recorded a strong first half sales performance with underlying sales ahead by 27% on the previous year. A key driver of growth has been food to go volumes with our fresh manufactured sandwich offering replacing made in store lines at our grocery retail customers. This sales momentum is encouraging and we are confident that the ongoing investment in business and factory processes, together with targeted operating efficiency measures, will improve margin and returns. Sales to date in the seasonally more important second half of the year have continued on the same trend as the first half.

- **Continental Convenience Foods**

Our continental convenience foods business had a good first half performance driven in the main by a number of factory efficiency measures successfully executed in the period. Sales have stabilised following the declines seen in FY'09 with operating margins showing improvement as a result of the efficiency gains.

Ingredients & Property

Ingredients & Property activity represents less than 10% of overall Group activity following the disposal of Malt. The performance of Malt, previously reported within this division, has been separately disclosed as a discontinued activity. The Group's remaining Ingredients & Property activity recorded a good first half in difficult market conditions. An operating profit was recorded of €1.8m compared to a loss of €0.3m in H1'09 reflecting lower divisional overhead and improved property disposal activity in H1'10.

Malt - discontinued

	H1 FY'10 €'m	H1 FY'09 €'m	Change
Sales	90.6	112.9	-19.8%
Operating profit[2]	9.6	11.7	-18.5%
Operating margin[2]	10.5%	10.4%	

Malt was disposed of on the last day of the financial period so the results in the table above reflect like for like half year on half year comparisons. Sales decreased reflecting a sharp deterioration in domestic and export malt markets. The overall malt margin was maintained in H1'10 due to carry over volumes on long term agreement (LTA) contracts entered into in previous years. Spot malt margins in the period were at a significant discount to LTA margins contracted for with customers.

Financial Review[1,2&3]

- **Overview**

The EUR/GBP exchange rate did not significantly impact year on year comparisons of the reported results in the first half of FY'10 versus the same period last year. The average EUR/GBP exchange rate in the first half of FY'10 was 0.888 (H1'09: 0.886). Group sales from continuing operations were €434.5m an increase of 2.1%. Group operating profit[2] from continuing operations was €27.7m, an increase of 43% on the first half FY'09. The Group operating margin on continuing operations was 6.4% compared to 4.5% in the first half of FY'09. In Convenience Foods sales from continuing operations were €397.0m, an increase of 6.1% on the first half of FY'09. Convenience Foods operating profit[2] from continuing operations was €25.9m an increase of 31.8% on the first half of FY'09. The Convenience Foods operating margin from continuing operations increased from 5.2% in H1'09 to 6.5% in H1'10. A profit of €7.0m before exceptional items was recorded on discontinued operations (H1'09: of €9.0m). Retained profit for the period was €25.2m compared to a retained loss of €32.4m in the first half of FY'09.

- **Financing**

The Group's net finance charge in the first half of FY'10 was €15.0m compared to €34.0m in H1'09. The change in the fair value of derivatives and related debt adjustments was a non cash credit of €0.4m at the end of March 2010 compared to a charge of €22.8m at the end of March 2009. The March 2009 charge reflected the sharp decrease in interest rates in the early part of FY'09 which had a consequential mark to market impact on the Group's fixed interest rate contracts. Bank interest payable of €13.9m increased by 12.7% on the charge in the first half of FY'09 reflecting, in the main, an increase in the interest margin paid on our syndicated bank debt post our re-financing in April 2009.

- **Taxation**

The Group's effective tax rate in the first half of FY'10 was 18% which is modestly higher than the full year percentage of 16% in FY'09. This reflects the change in mix of Irish and overseas earnings.

- **Earnings per Share**

Adjusted EPS[3] for the first half of FY'10 was 8.5 cent which is 1.1 cent, or 14.9%, ahead of the adjusted EPS of 7.4 cent in the first half of FY'09. This is based on a weighted average number of ordinary shares of 204.3m in the period (first half of FY'09: 201.5m).

- **Exceptional Items**

An exceptional gain of €8.5m was recorded in the period on the disposal of the Group's Malt and Water businesses. Of this amount a gain of €14.3m was recorded on the disposal of Malt (a surplus on disposal of €18.5m was recognised before the reclassification, with no impact on net assets, to the income statement of foreign currency translation losses of €4.2m previously written off to reserves). A loss of €5.8m was recorded on the disposal of Water (a loss of €2.7m was recognised before the reclassification, with no impact on net assets, to the income statement of foreign currency translation losses of €3.1m previously written off to reserves).

- **Cash Flow and Net Debt**

Comparable net debt (excluding the impact of marking to market all derivative financial instruments and related debt) at 26 March 2010 was €194.2m, a decrease of €89.6m, or 31.6% from the position at 25 September 2009. Comparable net debt is €138.4m or 41.6%, lower than the amount of €332.6m outstanding at 27 March 2009. The key cash flow highlight in the period was the cash received on completion of the Malt and Water disposals of €107.7m on 26 March 2010. This amount was received after deduction of €12.8m in respect of working capital and other items representing the difference between average working capital (basis on which consideration was calculated) and the estimated position on completion. These estimates are subject to final adjustment on the preparation of completion accounts with any adjustment payable/receivable in the second half of the financial year. A net cash inflow of €40.2m from continuing operating activities before exceptional items was recorded compared to an inflow of €11.5m in H1'09. A working capital inflow of €3.8m was recorded compared to an outflow of €15.0m in H1'09. Net capital expenditure of €14.0m was recorded compared to €13.1m in H1'09. The key capital item in H1'10 was the purchase of our Manton Wood sandwich facility from its former landlord for a consideration of €8.3m. Dividends paid were €4.6m in H1'10 compared to €10.7m in H1'09 reflecting a rebasing of the dividend in FY'09.

- **Dividends**

Dividend policy is an annual payout ratio in the range of 40-50% of adjusted EPS. In accordance with this policy an interim dividend of 3.0 cent per share is proposed (FY'09 interim dividend 3.0 cent per share).

- **Employee Benefits**

The fair value of total plan assets relating to the Group's Defined Benefit Pension Schemes (excluding associates) increased to €371.3m at March 2010 from €347.1m at September 2009. The present values of the total pension liability for these schemes increased to €465.2m from €447.0m over the same period. This is reflected in a decrease in the net pension deficit (before related deferred tax) to €93.8m at March 2010 (from a net pension deficit of €99.9m at September 2009). The Group has made significant progress in its efforts to reduce the Group's pension deficit with the closure of all Group defined benefit pension schemes to future accrual on 31 December 2009. The net pension deficit after associated tax relief was €69.3m in March 2010, a 17.6% reduction on the net deficit of €84.1m at the end of March 2009.

- **Total Equity**

Total equity at 26 March 2010 was €199.5m compared to €172.3m at 25 September 2009 due primarily to the retained profit in the period of €25.2m.

- **Key Performance Indicators**

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

  - **Return on capital employed**

  Capital is defined as the sum of the book value of shareholders' equity plus comparable net debt but excluding land subject to remediation and pension scheme assets or deficits with the returns measure expressed as operating profit[2] including share of associates and operating profit from discontinued operations calculated on a 12 month rolling basis. Return on capital employed for the year to 26 March 2010 was 15.2%. The capital amount excludes land subject to remediation of €36.1m.

  - **Sales Growth**

  Group continuing operating sales of €434.5m increased by 2.1% in the first half of FY'10. In our Convenience Foods business the Group measures weekly sales growth. In the first half of FY'10 we recorded continuing sales growth of 6.1%.

  - **Operating Margin**

  The Group's operating margin[2] from continuing operations in the first half of FY'10 was 6.4% compared to 4.5% in the first half of FY'09. In Convenience Foods, the operating margin[2] from continuing operations was 6.5% compared to 5.2% in the first half of FY'09.

  - **Free Cash Flow**

  The Group's free cash measure is net cash flow from operating activities before exceptional items adjusted for capital expenditure (previously calculated on replacement capital). Group free cash was an inflow of €11.1m in the first half of FY'10 compared to a Group operating profit[2] of €27.7m. The working capital inflow in the first half of FY'10 was €3.8m.

Principal Risks and Uncertainties

Under the Transparency (Directive 2004/109/EC) Regulations 2007, the Group is required to give a description of the principal risks and uncertainties it faces. As with any large group, Greencore faces a number of risks and uncertainties. Individual business unit management teams primarily drive the process by which individual risks and uncertainties are identified, these teams being best placed to identify significant and emerging risks and uncertainties in their businesses. The key risks facing the business include the following:

- The loss of a significant manufacturing/operational site through fire, natural catastrophe, act of vandalism or critical plant failure could potentially have a material impact on the Group.
- The impact on our cost base of fluctuating raw material and energy prices.
- The Group benefits from close commercial relationships with a number of key customers. The loss of any of these key customers, or a significant worsening in commercial terms, could result in a material impact on the Group's results.
- As a producer of convenience foods, Greencore is subject to general market related risks, including product contamination and general food scares.
- In common with the food industry manufacturers, unforeseen changes in food consumption patterns or changes in government legislation regarding the composition of food products may impact the Group.
- Financial risks associated with interest rate, foreign currency, liquidity and credit risk.
- The Group's defined benefit pension schemes are exposed to the risk of changes in interest rates and the market value of investments, as well as inflation and increasing longevity of scheme members.
- A significant IT system failure could adversely impact on operations.
- The value of the Group's property assets is subject to the macro-economic environment in Ireland and the UK, the successful environmental clean up of the brownfield sugar factory sites and the nature and timing of any zoning and subsequent planning permission.
- The Group's Convenience Foods portfolio is second half weighted. Weather and seasonal buying patterns impact, in particular, the demand for chilled product categories

Further details of the principle risks and uncertainties facing the Group are set out in the 2009 Annual Report.

- **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.

- **Auditor Review**

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

- **Forward-Looking Statements**

Certain statements made in these interim results are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from the expected future events or results referred to in these forward-looking statements.

E.F. Sullivan
Chairman
25 May 2010

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 26 March 2010 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 26 March 2010, and a description of the principal risks and uncertainties for the remaining six months;
- 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.

P.F. Coveney	**G.P. Doherty**
Chief Executive Officer	*Chief Financial Officer*
25 May 2010	

Current Directors

Mr. E.F. Sullivan	(Chairman)
Mr. P.F. Coveney	(Chief executive)
Mr. G.P. Doherty	(Chief financial officer)
Mr. A.M. Hynes	(Chief operating officer)
Ms. D.S. Walker	(Chief executive, Convenience Food, UK)
Mr. J.T. Herlihy	
Mr. P.G. Kennedy	
Mr. P.A. McCann	
Mr. E.L. Nicoli	
Mr. D.M. Simons	
Mr. D.A. Sugden	
Ms. C.M. Bergin	(Group company secretary)

GROUP CONDENSED INCOME STATEMENT
for the half year ended 26 March 2010

	Note	Half year ended 26 March 2010 (Unaudited) Pre - exceptional €'000	Exceptional (Note 5) €'000	Total €'000	Half year ended 27 March 2009 * as re-presented (Unaudited) Pre - exceptional €'000	Exceptional (Note 5) €'000	Total €'000
Continuing operations							
Revenue	3	**434,491**	**–**	**434,491**	425,457	–	425,457
Cost of sales		**(291,669)**	**–**	**(291,669)**	(295,914)	(1,380)	(297,294)
Gross profit		**142,822**	**–**	**142,822**	129,543	(1,380)	128,163
Operating costs, net		**(115,158)**	**–**	**(115,158)**	(110,197)	(21,131)	(131,328)
Group operating profit/(loss) before acquisition related amortisation	3	**27,664**	**–**	**27,664**	19,346	(22,511)	(3,165)
Amortisation of acquisition related intangibles		**(1,171)**	**–**	**(1,171)**	(897)	–	(897)
Group operating profit/(loss)	3	**26,493**	**–**	**26,493**	18,449	(22,511)	(4,062)
Finance income	11	**12,398**	**–**	**12,398**	18,273	–	18,273
Finance costs	11	**(27,423)**	**–**	**(27,423)**	(52,268)	–	(52,268)
Share of profit of associates after tax		**338**	**–**	**338**	262	–	262
Profit/(loss) before taxation		**11,806**	**–**	**11,806**	(15,284)	(22,511)	(37,795)
Taxation	6	**(2,225)**	**–**	**(2,225)**	(1,054)	2,381	1,327
Profit/(loss) from continuing operations		**9,581**	**–**	**9,581**	(16,338)	(20,130)	(36,468)
Profit/(loss) from discontinued operations	14	**7,048**	**8,521**	**15,569**	9,006	(4,976)	4,030
Profit/(loss) for the financial period		**16,629**	**8,521**	**25,150**	(7,332)	(25,106)	(32,438)
Attributable to:							
Equity shareholders		**16,129**	**8,521**	**24,650**	(8,230)	(25,106)	(33,336)
Minority interests		**500**	**–**	**500**	898	–	898
		16,629	**8,521**	**25,150**	(7,332)	(25,106)	(32,438)
Basic earnings/(loss) per share (cent)							
Continuing operations				**4.5**			(18.5)
Discontinued operations				**7.6**			1.9
	8			**12.1**			(16.6)
Diluted earnings/(loss) per share (cent)							
Continuing operations				**4.4**			(18.5)
Discontinued operations				**7.5**			1.9
	8			**11.9**			(16.6)

* See Note 14 - Discontinued operations and disposal of undertakings

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GROUP CONDENSED BALANCE SHEET
as at 26 March 2010

	Note	**26 March 2010 (Unaudited)**	27 March 2009 (Unaudited)	25 September 2009 (Audited)
ASSETS		**€'000**	€'000	€'000
Non-current assets				
Intangible assets	9	**404,959**	410,076	404,305
Property, plant and equipment	9	**213,060**	317,287	319,233
Investment property	9	**36,140**	759	710
Investments in associates		**972**	1,237	638
Other receivables		**3,032**	–	–
Derivative financial instruments		**22,296**	–	16,358
Deferred tax assets		**41,480**	33,428	42,993
Total non-current assets		**721,939**	762,787	784,237
Current assets				
Inventories		**46,960**	93,591	82,369
Trade and other receivables		**68,394**	106,339	95,562
Cash and cash equivalents	11	**199,105**	170,550	43,933
Derivative financial instruments		**4,751**	–	–
Available for sale financial assets		**–**	19	–
Assets held for sale		**–**	32,913	–
Total current assets		**319,210**	403,412	221,864
Total assets		**1,041,149**	1,166,199	1,006,101
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	10	**132,056**	129,641	131,250
Share premium	10	**120,378**	118,961	119,623
Reserves		**(57,056)**	(108,513)	(82,156)
		195,378	140,089	168,717
Minority interest in equity		**4,091**	4,487	3,591
Total equity		**199,469**	144,576	172,308
LIABILITIES				
Non-current liabilities				
Borrowings	11	**378,033**	491,764	343,769
Derivative financial instruments		**–**	10,869	–
Retirement benefit obligations	15	**93,814**	98,366	99,859
Other payables		**6,525**	8,704	6,924
Provisions for liabilities	12	**4,495**	11,408	6,188
Deferred tax liabilities		**41,803**	45,230	47,648
Government grants		**119**	1,166	1,096
Total non-current liabilities		**524,789**	667,507	505,484
Current liabilities				
Borrowings	11	**41,577**	1,099	21
Derivative financial instruments		**24,732**	31,958	27,237
Trade and other payables		**215,178**	264,740	262,845
Provisions for liabilities	12	**9,867**	9,467	11,288
Income taxes payable		**25,537**	26,323	26,918
Liabilities held for sale		**–**	20,529	–
Total current liabilities		**316,891**	354,116	328,309
Total liabilities		**841,680**	1,021,623	833,793
Total equity and liabilities		**1,041,149**	1,166,199	1,006,101

GROUP CONDENSED CASH FLOW STATEMENT
for the half year ended 26 March 2010

	Half year ended 26 March 2010 (Unaudited) €'000	Half year ended 27 March 2009 * As re-presented (Unaudited) €'000
Profit/(loss) before taxation	11,806	(37,795)
Finance income	(12,398)	(18,273)
Finance costs	27,423	52,268
Share of profit of associates (after tax)	(338)	(262)
Exceptional charge	–	22,511
Operating profit from continuing operations (pre-exceptional)	26,493	18,449
Depreciation	9,943	10,194
Amortisation of intangibles	1,906	1,347
Employee share option expense	688	306
Amortisation of government grants	(26)	(24)
Difference between pension charge and cash contributions	(2,898)	(2,490)
Working capital movement	3,832	(15,029)
Other movements	260	(1,206)
Net cash inflow from operating activities before exceptional items	40,198	11,547
Cash outflow related to exceptional items	(3,834)	(11,120)
Interest paid	(15,007)	(14,815)
Tax paid	(46)	(54)
Operating cash flows from discontinued operations	(12,202)	(19,112)
Net cash inflow/(outflow) from operating activities	9,109	(33,554)
Cash flows from investing activities		
Dividends received from associates	17	68
Purchase of property, plant and equipment and investment property	(14,016)	(13,132)
Purchase of intangible assets	(3)	(4,965)
Acquisition of undertakings	–	(113)
Acquisition of minority interest	–	(1,132)
Deferred and contingent consideration paid	–	(560)
Disposal of undertakings	107,717	–
Interest received	902	1,263
Government grants received	–	185
Cash flows from discontinued operations	(1,941)	(6,567)
Net cash inflow/(outflow) from investing activities	92,676	(24,953)
Cash flows from financing activities		
Purchase of own shares	(2,000)	–
Increase in bank borrowings	110,000	120,945
Repayment of loan notes	(50,009)	–
Decrease in finance lease liabilities	(19)	(21)
Dividends paid to equity holders of the Company	(4,572)	(10,697)
Net cash inflow from financing activities	53,400	110,227
Net increase in cash and cash equivalents	155,185	51,720
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of period	43,933	139,040
Translation adjustment	(13)	(20,210)
Increase in cash and cash equivalents	155,185	51,720
Cash and cash equivalents at end of period	199,105	170,550

* See Note 14 - Discontinued operations and disposal of undertakings

GROUP CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the half year ended 26 March 2010

	Note	**Half year ended 26 March 2010 (Unaudited) €'000**	Half year ended 27 March 2009 (Unaudited) €'000
Items of income and expense taken directly within equity			
Currency translation differences		**6,026**	(4,877)
Currency translation differences recycled to Income Statement	14	**7,232**	–
Hedge of net investment in foreign currency subsidiary		**(3,805)**	(3,011)
Actuarial loss on Group defined benefit pension schemes		**(1,803)**	(42,272)
Deferred tax on Group defined benefit pension schemes		**1,931**	2,569
Cash flow hedges:			
Gain/(loss) taken to equity		**61**	(3,758)
Transferred to Income Statement in the period		**1,766**	1,057
Deferred tax on cash flow hedge		**(497)**	756
Cash flow hedge losses recycled to Income Statement	14	**108**	–
Net amount recognised directly within equity		**11,019**	(49,536)
Group result for the financial period		**25,150**	(32,438)
Total recognised income and expense for the financial period		**36,169**	(81,974)
Attributable to:			
Equity shareholders		**35,669**	(82,872)
Minority interests		**500**	898
Total recognised income and expense for the financial period		**36,169**	(81,974)

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GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 26 March 2010

	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Minority interest €'000	Total equity €'000
At 25 September 2009	**131,250**	**119,623**	**(29,552)**	**(52,604)**	**168,717**	**3,591**	**172,308**
Items of income and expense taken directly within equity							
Issue of shares	**806**	**755**	**–**	**–**	**1,561**	**–**	**1,561**
Currency translation differences	**–**	**–**	**6,026**	**–**	**6,026**	**–**	**6,026**
Tax on translation of cashflow hedge reserve	**–**	**–**	**14**	**–**	**14**	**–**	**14**
Currency translation differences recycled to Income Statement on disposal of foreign operation	**–**	**–**	**7,232**	**–**	**7,232**	**–**	**7,232**
Net investment hedge	**–**	**–**	**(3,805)**	**–**	**(3,805)**	**–**	**(3,805)**
Actuarial loss on Group defined benefit pension schemes	**–**	**–**	**–**	**(1,803)**	**(1,803)**	**–**	**(1,803)**
Deferred tax asset on Group defined benefit pension schemes	**–**	**–**	**–**	**1,931**	**1,931**	**–**	**1,931**
Cash flow hedges							
fair value gains in period	**–**	**–**	**61**	**–**	**61**	**–**	**61**
tax on fair value gains	**–**	**–**	**(17)**	**–**	**(17)**	**–**	**(17)**
transfers to Income Statement	**–**	**–**	**1,766**	**–**	**1,766**	**–**	**1,766**
tax on transfers to Income Statement	**–**	**–**	**(494)**	**–**	**(494)**	**–**	**(494)**
recycled to Income Statement on disposal of operation	**–**	**–**	**108**	**–**	**108**	**–**	**108**
Profit for the financial period	**–**	**–**	**–**	**24,650**	**24,650**	**500**	**25,150**
Shares acquired by Deferred Share Awards Trust	**–**	**–**	**(2,000)**	**–**	**(2,000)**	**–**	**(2,000)**
Employee share option expense	**–**	**–**	**688**	**–**	**688**	**–**	**688**
Dividends	**–**	**–**	**–**	**(9,257)**	**(9,257)**	**–**	**(9,257)**
At 26 March 2010	**132,056**	**120,378**	**(19,973)**	**(37,083)**	**195,378**	**4,091**	**199,469**

	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Minority interest €'000	Total equity €'000
At 26 September 2008	129,641	118,961	(4,417)	(4,947)	239,238	4,816	244,054
Items of income and expense taken directly within equity							
Currency translation differences	–	–	(4,877)	–	(4,877)	–	(4,877)
Net investment hedge	–	–	(3,011)	–	(3,011)	–	(3,011)
Actuarial loss on Group defined benefit pension schemes	–	–	–	(42,272)	(42,272)	–	(42,272)
Deferred tax asset on Group defined benefit pension schemes	–	–	–	2,569	2,569	–	2,569
Cash flow hedges							
fair value losses in period	–	–	(3,758)	–	(3,758)	–	(3,758)
tax on fair value losses	–	–	1,052	–	1,052	–	1,052
transfers to Income Statement	–	–	1,057	–	1,057	–	1,057
tax on transfers to Income Statement	–	–	(296)	–	(296)	–	(296)
Loss for the financial period	–	–	–	(33,336)	(33,336)	898	(32,438)
Employee share option expense	–	–	306	–	306	–	306
Dividends	–	–	–	(16,583)	(16,583)	–	(16,583)
Acquisition of minority interests	–	–	–	–	–	(1,227)	(1,227)
At 27 March 2009	129,641	118,961	(13,944)	(94,569)	140,089	4,487	144,576

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 26 March 2010 continued

Other Reserves	**Share options**	**Own shares**	**Capital conversion reserve fund**	**Hedging reserve**	**Foreign currency translation reserve**	**Other reserves**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 25 September 2009	**1,757**	**(21,443)**	**934**	**(1,385)**	**(9,415)**	**(29,552)**
Items of income and expense taken directly within equity						
Currency translation differences	**–**	**–**	**–**	**(53)**	**6,079**	**6,026**
Tax on translation of cashflow hedge reserve	**–**	**–**	**–**	**14**	**–**	**14**
Currency translation differences recycled to income statement on disposal of foreign operation	**–**	**–**	**–**	**–**	**7,232**	**7,232**
Net investment hedge	**–**	**–**	**–**	**–**	**(3,805)**	**(3,805)**
Cash flow hedges						
fair value gains in period	**–**	**–**	**–**	**61**	**–**	**61**
tax on fair value gains	**–**	**–**	**–**	**(17)**	**–**	**(17)**
transfers to Income Statement	**–**	**–**	**–**	**1,766**	**–**	**1,766**
tax on transfers to Income Statement	**–**	**–**	**–**	**(494)**	**–**	**(494)**
recycled to Income Statement on disposal of operation	**–**	**–**	**–**	**108**	**–**	**108**
Shares acquired by Deferred Share Awards Trust	**–**	**(2,000)**	**–**	**–**	**–**	**(2,000)**
Employee share option expense	**688**	**–**	**–**	**–**	**–**	**688**
At 26 March 2010	**2,445**	**(23,443)**	**934**	**–**	**91**	**(19,973)**

	Share options	Own shares	Capital conversion reserve fund	Hedging reserve	Foreign currency translation reserve	Other reserves
	€'000	€'000	€'000	€'000	€'000	€'000
At 26 September 2008	982	(407)	934	(1,550)	(4,376)	(4,417)
Items of income and expense taken directly within equity						
Currency translation differences	–	–	–	–	(4,877)	(4,877)
Net investment hedge	–	–	–	–	(3,011)	(3,011)
Cash flow hedges						
fair value losses in period	–	–	–	(3,758)	–	(3,758)
tax on fair value losses	–	–	–	1,052	–	1,052
transfers to Income Statement	–	–	–	1,057	–	1,057
tax on transfers to Income Statement	–	–	–	(296)	–	(296)
Employee share option expense	158	148	–	–	–	306
At 27 March 2009	1,140	(259)	934	(3,495)	(12,264)	(13,944)

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 with 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 25 September 2009 represents an abbreviated version of the Group Financial Statements for that year. Those financial statements, upon which the auditors issued an unqualified audit report, have been filed with the Registrar of Companies.

2. Accounting Policies

IFRS 8 Operating Segments has been applied for the first time in identifying the Group's reportable segments in the preparation of the Group Condensed Financial Statements. This has resulted in a change to the reportable segments presented by the Group as set out in Note 3.

The amendment to IAS 40 Investment Property (resulting from the 2008 Annual Improvements to IFRSs) has been applied for the first time in the preparation of the Group Condensed Financial Statements for the period ended 26 March 2010. This amendment changed the scope of the standard to include property being constructed or developed for future use as investment property. As a result, the Group's land subject to remediation has been reclassified to investment property as set out in Note 9.

All other 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 25 September 2009 and are as set out in those financial statements.

The adoption of the other new standards and interpretations (as set out in the 2009 Annual Report) that became effective for the Group's financial statements for the year ended 24 September 2010 did not have any significant impact on the Group Condensed Financial Statements.

3. Segment Information

On adoption of IFRS 8, the Group identified three reportable segments: (i) Convenience Foods, (ii) Ingredients & Property and (iii) Malt. In the Annual Report for the year ended 25 September 2009, the Group presented two primary business segments: (i) Convenience Foods and (ii) Ingredients & Related Property. These reportable segments align with the Group's internal financial reporting system and the manner in which the Chief Operating Decision Maker assesses performance and allocates the Group's resources. The Group is organised around different product portfolios.

The Convenience Foods reportable segment is the aggregation of two operating segments, Convenience Foods UK and Convenience Foods USA & the Continent ("International Convenience Foods"). This segment derives its revenue from the production and sale of convenience food.

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

The Malt reportable segment represents the manufacture and sale of malt. This business was discontinued during the period. Further details are set out in Note 14.

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. 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.

3. Segment Information continued

Comparatives have been restated for the half year ended 27 March 2009 and for the year ended 25 September 2009.

	Convenience Foods		**Ingredients & Property**		**Greencore Malt (discontinued)**		**Total**	
	Half year 2010 €'000	Half year 2009 €'000	**Half year 2010 €'000**	Half year 2009 €'000	**Half year 2010 €'000**	Half year 2009 €'000	**Half year 2010 €'000**	Half year 2009 €'000
Total revenue	**406,967**	385,831	**37,481**	51,420	**90,581**	112,909	**535,029**	550,160
Less: Revenue from discontinued operations (Note 14)	**(9,957)**	(11,794)	**–**	–	**(90,581)**	(112,909)	**(100,538)**	(124,703)
Revenue - continuing operations	**397,010**	374,037	**37,481**	51,420	**–**	–	**434,491**	425,457
Total operating profit/(loss) before exceptional items and acquisition related amortisation	**24,528**	19,554	**1,792**	(290)	**9,550**	11,715	**35,870**	30,979
Less: Operating loss/(profit) from discontinued operations	**1,344**	82	**–**	–	**(9,550)**	(11,715)	**(8,206)**	(11,633)
Group operating profit/(loss) before exceptional items and acquisition related amortisation - continuing operations	**25,872**	19,636	**1,792**	(290)	**–**	–	**27,664**	19,346
Amortisation of acquisition related intangible assets	**(1,171)**	(897)	**–**	–	**–**	–	**(1,171)**	(897)
Exceptional items	**–**	(10,223)	**–**	(12,288)	**–**	–	**–**	(22,511)
Group operating profit/(loss)	**24,701**	8,516	**1,792**	(12,578)	**–**	–	**26,493**	(4,062)
Finance income							**12,398**	18,273
Finance costs							**(27,423)**	(52,268)
Share of profit of associates after tax	**–**	–	**338**	262	**–**	–	**338**	262
Profit/(loss) before taxation							**11,806**	(37,795)

	Convenience Foods		**Ingredients & Property**		**Greencore Malt (discontinued)**		**Total**	
	26 Mar 2010 €'000	25 Sep 2009 €'000	**26 Mar 2010 €'000**	25 Sep 2009 €'000	**26 Mar 2010 €'000**	25 Sep 2009 €'000	**26 Mar 2010 €'000**	25 Sep 2009 €'000
Segment assets								
Assets	**717,240**	718,798	**55,305**	55,166	**–**	128,215	**772,545**	902,179
Investments in associates	**–**	–	**972**	638	**–**	–	**972**	638
Total assets	**717,240**	718,798	**56,277**	55,804	**–**	128,215	**773,517**	902,817

Reconciliation to Total Assets as reported in the Group Condensed Balance Sheet		
Deferred tax assets	**41,480**	42,993
Cash and cash equivalents	**199,105**	43,933
Derivative financial instruments	**27,047**	16,358
Total assets as reported in the Group Condensed Balance Sheet	**1,041,149**	1,006,101

3. Segment Information continued

On 26 March 2010, the Group completed the disposal of its Malt business ("Greencore Malt") and bottled water business ("Greencore Water"). In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the operations of Greencore Malt and Greencore Water are considered to be discontinued.

The Group exited its Frozen Desserts business and disposed of its grain trading business during the period ended 27 March 2009. Neither of these businesses were classified as a discontinued operation as they did not represent a separate major line of business or geographical area of operation in accordance with IFRS 5 Non-current Assets held for Sale and Discontinued Operations.

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 2010 €'000	Half year 2009 €'000 * as re-presented
Continuing operations			
Convenience Foods	(a)	–	(10,223)
Ingredients & Property	(b)	–	(12,288)
		–	(22,511)
Tax on exceptional items		–	2,381
Total continuing operations		–	(20,130)
Discontinued operations			
Greencore Malt	(c)	**14,342**	(1,226)
Greencore Water	(d)	**(5,821)**	–
Exit from sugar processing	(e)	–	46
Legal settlement	(f)	–	(3,796)
Total discontinued operations		**8,521**	(4,976)
Total exceptional items		**8,521**	(25,106)

(a) Convenience Foods
During the prior period, the Group finalised its strategic review of the Frozen Desserts category. It was concluded that it should exit from its frozen desserts business, due to its tertiary market position, by closing its remaining facility. The Group also finalised its business restructuring program resulting in head count reductions at business units. The total cost of this restructuring, which comprised principally asset write offs and redundancy costs, was €10.2 million.

(b) Ingredients & Property
During the prior period, the Group determined that it would either close or sell off its grain trading business at Drummonds. As a result of this decision, provisions of €12.3 million were recognised to write assets down to fair value less costs to sell. The underlying assets of the Group's grain trading business were reclassified as held for sale during the period ended 27 March 2009. The Group disposed of Drummonds on 25 June 2009.

(c) Greencore Malt
The Group completed the disposal of the Malt businesses on 26 March 2010. A profit on disposal of €14.3 million was recognised in the Income Statement. This includes the recycle of €4.1 million of cumulative foreign currency translation losses and €0.1 million cash flow hedge losses, both of which were previously recognised in equity. The net impact on the Group's equity on 26 March 2010 was an increase of €18.5 million.

5. Exceptional Items continued

(c) Greencore Malt continued
During the prior period, the Group was in the process of negotiating an insurance settlement in relation to an incident at its malting facility at Ghlin, Belgium in 2008. A gain of €2.7 million (€1.8 million net of tax) was recognised in respect of the estimated settlement amount. Additionally, the Group took a charge of €3.0 million related to grain/barley stocks associated with the poor harvest quality arising as a result of the extreme adverse 2008 weather conditions experienced during the harvest period.

(d) Greencore Water
The Group completed the disposal of its bottled water business on 26 March 2010. A loss on disposal of €5.8 million was recognised in the income statement. This includes the recycle of €3.1 million cumulative foreign currency translation losses, previously recognised in equity. The net impact on the Group's equity on 26 March 2010 was a reduction of €2.7 million.

(e) Exit from sugar processing
The Group exited its sugar processing business in 2006. The Group continues to sell off assets and remediate the former sugar processing sites. In the prior period, a net gain arose on the reversal of impairment of assets.

(f) Legal settlement
During the prior period, the Group settled an outstanding claim dating back to its Sugar activities and recognised an exceptional charge of €3.8 million related to both settlement and legal costs.

* See Note 14 - Discontinued operations and disposal of undertakings

6. Taxation

Interim period tax is accrued using the tax rate that is estimated to be applicable to expected total annual earnings, that is the estimated average annual effective income tax rate applied to the taxable income of the interim period.

7. Dividends Paid and Proposed

A dividend of 4.50 cent per share was approved at the Annual General Meeting on 11 February 2010 as a final dividend in respect of the year ended 25 September 2009 and a total of €7.9 million was paid on 1 April 2010 to those shareholders that did not avail of the Group scrip dividend scheme.

An interim dividend of 3.00 cent (2009: 3.00 cent) per share is payable on 29 September 2010 to the shareholders on the Register of Members as of 4 June 2010. The ordinary shares will be quoted ex-dividend from 2 June 2010. 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 for the half year ended 26 March 2010 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/(loss) per ordinary share

Basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) 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 the Deferred Bonus Awards 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 balances and external loans 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.

8. Earnings per Ordinary Share continued

	Half year 2010	Half year 2009 *as re-presented
	€'000	€'000
Profit/(loss) attributable to equity holders of the Company	**24,650**	(33,336)
Exceptional items (post tax)	**(8,521)**	25,106
Fair value of derivative financial instruments and related debt adjustments	**(363)**	22,821
FX on inter-company balances and external loans where hedge accounting is not applied	**1,257**	(641)
Amortisation of acquisition related intangible assets	**1,171**	897
Pension financing	**84**	(618)
Tax effect of pension financing and amortisation of acquisition related intangibles	**(664)**	(186)
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**(345)**	766
Numerator for adjusted earnings per share calculation	**17,269**	14,809
Result for the period from discontinued operations – pre-exceptional	**(7,048)**	(9,006)
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**345**	(766)
Numerator for continuing adjusted earnings per share calculation	**10,566**	5,037
Numerator for discontinued basic EPS		
Discontinued profit for the year	**15,569**	4,030
Numerator for discontinued adjusted EPS		
Result for the period from discontinued operations – pre-exceptional	**7,048**	9,006
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**(345)**	766
Numerator for discontinued adjusted EPS	**6,703**	9,772

	Half year 2010	Half year 2009 *as re-presented
	cent	cent
Basic earnings/(loss) per ordinary share		
Continuing operations	**4.5**	(18.5)
Discontinued operations	**7.6**	1.9
	12.1	(16.6)
Adjusted basic earnings per ordinary share	**8.5**	7.4
Continuing adjusted earnings per ordinary share	**5.2**	2.5
Discontinued adjusted earnings per ordinary share	**3.3**	4.9

	Half year 2010	Half year 2009
Denominator for earnings per share and adjusted earnings per share calculation		
Shares in issue at the beginning of the year (thousands)	**208,333**	205,779
Treasury shares (thousands)	**(3,905)**	(3,905)
Shares held by Trust (thousands)	**(1,384)**	(393)
Effect of shares issued in period (thousands)	**1,244**	–
Weighted average number of ordinary shares in issue during the period (thousands)	**204,288**	201,481

8. Earnings per Ordinary Share continued

Diluted earnings/(loss) per ordinary share

Diluted earnings/(loss) 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 4,818,180 (2009: 7,047,963) shares were excluded from the diluted EPS calculation as they were either anti-dilutive or contingently issuable ordinary shares which had not satisfied the performance conditions attaching at the end of the reporting period.

	Half year 2010	Half year 2009 *as re-presented
	cent	cent
Diluted earnings/(loss) per ordinary share		
Continuing operations	**4.4**	(18.5)
Discontinued operations	**7.5**	1.9
	11.9	(16.6)
Adjusted diluted earnings per ordinary share	**8.4**	7.3
Adjusted continuing diluted earnings per ordinary share	**5.1**	2.5
Adjusted discontinued diluted earnings per share	**3.3**	4.8

The reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earning per share amounts is as follows:

	Half year 2010	Half year 2009
Weighted average number of ordinary shares in issue during the period (thousands)	**204,288**	201,481
Dilutive effect of share options (thousands)	**2,202**	452
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**206,490**	201,933

*see note 14 – Discontinued operations and disposal of undertakings

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

During the six month period to 26 March 2010, the Group made approximately €15.9 million (2009: €24.7 million) of additions to property, plant and equipment, investment property and intangible assets. The Group also disposed of certain assets (excluding the disposal of undertakings) with a carrying amount of €0.7 million (2009: €3.1 million) for proceeds of €2.5 million (2009: €1.1 million).

At 26 March 2010, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €3.2 million (2009: €4.2 million).

On adoption at the beginning of the period of the amendments to IAS 40 Investment Property resulting from the 2008 Annual Improvements to IFRSs as described in Note 2, the Group's land assets under remediation, totalling €35.4 million, were transferred from property, plant and equipment to investment property. In accordance with the transitional provisions of the amendments to IAS 40 the Group has applied the amendment prospectively and has not restated the comparatives.

10. Equity Share Capital

Issued capital as at 26 March 2010 amounted to €132.1 million (25 September 2009: €131.3 million) of which €2.5 million (2009: €2.5 million) is attributable to treasury shares. During the six month period to 26 March 2010, 1,278,995 (2009: nil) shares were issued in respect of the Group scrip dividend scheme.

Pursuant to the Deferred Bonus Plan, 1,462,214 shares (2009: nil) were purchased by the Trustees of the Plan during the period ended 26 March 2010 at a cost of €2.0 million. The nominal value of these shares, on which dividends have not been waived by the Trustees of the Plan, was €0.9 million at 26 March 2010.

There were 925,000 (2009: 1,690,000) share options granted under the executive share option scheme and no shares granted under the share save schemes.

11. Components of Net Debt and Financing

During the period the Group maintained its existing bank facilities. The cash flows from financing activities are set out in the Group Condensed Cash Flow Statement.

	26 March 2010	27 March 2009
	€'000	€'000
Net Debt		
Current assets		
Cash and cash equivalents	**199,105**	170,550
Current liabilities		
Borrowings before fair value adjustment	**(36,857)**	(1,099)
Non-current liabilities		
Borrowings before fair value adjustment	**(356,466)**	(502,053)
Comparable net debt	**(194,218)**	(332,602)
Borrowings - fair value adjustment	**(26,287)**	10,289
Cross-currency interest rate swaps - fair value hedges	**27,047**	(10,869)
Group net debt	**(193,458)**	(333,182)

	Half year 2010	Half year 2009 * as re-presented
Net Finance Costs	**€'000**	€'000
Net finance costs on interest bearing cash and cash equivalents and borrowings	**(13,877)**	(12,315)
Net pension financing (charge)/credit	**(84)**	618
Change in fair value of derivatives and related debt adjustments	**363**	(22,821)
Foreign exchange on inter-company balances & external loans where hedge accounting is not applied	**(1,257)**	641
Unwind of present value discount on non-current payables	**(170)**	(118)
	(15,025)	(33,995)
Analysed as:		
Finance income	**12,398**	18,273
Finance costs	**(27,423)**	(52,268)
	(15,025)	(33,995)

* See Note 14 - Discontinued operations and disposal of undertakings

Comparable net debt is a non-IFRS measure used by the Group as a key performance indicator.

The change in fair value of derivatives and related debt adjustments in the prior period reflects the significant reduction in interest rates in that period and the consequential impact of this on the Group’s interest rate swaps.

12. Provisions for Liabilities

	Half year 2010 €'000
Six months ended 26 March 2010	
At beginning of period	**17,476**
Utilised in period	**(3,361)**
Created in period	**–**
Currency translation differences	**153**
Unwind discount	**94**
At end of period	**14,362**

Analysed as:	**26 Mar 2010 €'000**	25 Sept 2009 €'000
Non-current liabilities	**4,495**	6,188
Current liabilities	**9,867**	11,288
	14,362	17,476

Provisions for liabilities are comprised of environmental and restructuring, deferred contingent consideration and other provisions.

Environmental and restructuring
Environmental obligations and related costs arise primarily from the Group's discontinued sugar processing operations and have been established to cover either a statutory or constructive obligation of the Group to carry out remedial works. Related restructuring provisions relate to irrevocable commitments in respect of programmes commenced and committed to in the Ingredients & Property segment, primarily related to the exit from sugar processing. Substantially all costs will have been incurred by September 2010.

Deferred contingent consideration
Deferred contingent consideration represents the estimated amount payable in respect of certain acquisitions and is dependent on the results of those acquisitions for specified periods.

Other
Other provisions primarily consists 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) provision for onerous contractual obligations for properties held under operating lease. It is anticipated that these will be payable within five years.

13. Contingencies

Various subsidiaries of the Group continue to be subject to legal proceedings. 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.

The Group has provided security to the Government of Ireland for the purpose of facilitating the receipt of restructuring aid as provided for in Commission Regulation (EC) No 968/2006. The security is in the form of a bank guarantee and amounts to €9.4 million (26 September 2009: €9.4 million). The guarantee becomes payable if the Group does not complete its commitments under its restructuring plan, at which time, that part of the aid granted in respect of the commitment concerned can be recovered from the Group. The Group continues to perform its commitments under its restructuring plan and accordingly, in the opinion of the Directors, the likelihood of repayment of any restructuring aid received is considered to be remote therefore no provision has been recognised in the Group Condensed Financial Statements in respect of this guarantee.

13. Contingencies continued

As part of the agreement to dispose of Greencore Malt, the Group provided a bank guarantee to Axéréal Union de Coopératives Agricoles for an amount of €10.0 million to guarantee the performance by the Group of any payment obligations in respect of breach of warranty, indemnity or covenant under the disposal agreement in respect of any claim made by Axéréal Union de Coopératives Agricoles up to 26 March 2012.

14. Discontinued Operations and Disposal of Undertakings

On 26 March 2010, the Group completed the disposal of its Malt business ("Greencore Malt") and bottled water business ("Greencore Water"). In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the operations of Greencore Malt and Greencore Water are considered to be discontinued. Comparatives have been re-presented to reflect discontinued operations. In March 2006, the Group announced its intention to exit sugar processing entirely.

The revenue and results of the above mentioned discontinued operations were as follows:

	Half year 2010 €'000	Half year 2009 €'000
Revenue	**100,538**	124,703
Cost of sales	**(74,253)**	(96,693)
Operating costs, net	**(18,079)**	(16,377)
Operating profit	**8,206**	11,633
Finance income and costs (net)	**297**	(793)
Profit before taxation and exceptional items	**8,503**	10,840
Taxation on profit before exceptional items	**(1,455)**	(1,834)
Profit from operations before exceptional items	**7,048**	9,006
Exceptional items (Note 5)	**8,521**	(4,976)
Profit from discontinued operations	**15,569**	4,030

During the period, there were operating cash out flows of €12.2 million (2009: €19.1 million) and cash out flows from investing activities of €1.9 million (2009: €6.6 million) from discontinued operations. The operating profit from discontinued operations was adjusted for the effects of depreciation of €3.1 million (2009: €3.3 million), the difference between the pension charge and pension cash contributions of €0.3 million (2009: €1.0 million), a working capital decrease of €28.8 million (2009: €32.7 million) and an in flow in respect of exceptional items of €5.6 million (2009: out flow of €0.3 million). The cash out flows from investing activities are in respect of the acquisition of property, plant and equipment.

The cumulative effect of the disposal of Greencore Malt and Greencore Water on the financial position of the Group was a profit on disposal of €8.5 million after the recycling of foreign currency and cash flow hedge reserves of €7.3 million. The related net cash inflow included in the cash flow statement totalled €107.7 million. The net impact on the Group's equity on 26 March 2010 was an increase of €15.8 million.

The consideration for the disposal of Greencore Malt is subject to adjustment by reference to post closing adjustment statement in respect of working capital, net debt and pension deficit funding. The process for the agreement of the post closing adjustment statement has not concluded at the date of approval of the Group Condensed Financial Statements. The profit on disposal is based on Group management’s estimate of the final consideration.

15. Retirement Benefit Schemes

In consultation with the independent actuaries to the schemes, the valuation 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:

	26 Mar 2010	25 Sept 2009
Rate of increase in pensionable salaries	**2.00%-3.00%**	2.00%-3.00%
Rate of increase in pension payment	**0%-3.35%**	0%-3.00%
Discount rate	**5.50%-5.60%**	5.60%-6.00%
Inflation rate	**2.00%-3.35%**	2.00%-3.00%

The financial position of the schemes was as follows:

	26 Mar 2010
	€'000
Total market value of assets	**371,336**
Present value of scheme liabilities	**(465,150)**
Net deficit in schemes	**(93,814)**
Deferred tax asset	**24,547**
Net liability at 26 March 2010	**(69,267)**

	25 Sept 2009
	€'000
Total market value of assets	347,145
Present value of scheme liabilities	(447,004)
Net deficit in schemes	(99,859)
Deferred tax asset	24,312
Net liability at 25 September 2009	(75,547)

16. Subsequent Events

On 8 April 2010, the Group repaid €80.0 million of bank borrowings. There have been no other significant events affecting the Group since the period end.

17. Purchase of Minority Interest

During the prior period, the Group bought minority interest shareholdings in two of its subsidiaries, Trilby Trading Limited and Encore Knockmore Limited. The total cash consideration for the shares was €1.1 million with an additional deferred contingent element payable depending on future business performance. The difference between the book value of the share of net assets acquired at acquisition and the consideration was recorded as an adjustment to goodwill.

18. Information

Copies of the Group Condensed Financial Statements for the half year ended 26 March 2010 are available for download from the Group's website at www.greencore.com.