greencore

GREENCORE GROUP PLC
PRELIMINARY FULL YEAR RESULTS STATEMENT
Food to go continues to drive growth

14 November 2016

Greencore Group plc, a leading international convenience food business, today issues its preliminary unaudited results for the year ended 30 September 2016.

FINANCIAL HIGHLIGHTS

- Group revenue of £1,481.9m, up 10.6% (as reported) and up 5.9% on a like-for-like[1] basis
- Convenience Foods revenue of £1,435.2m, up 6.6% on a like-for-like[1] basis
- Group EBITDA[2] up 13.9% to £138.4m
- Group Operating Profit[2] up 11.2% to £102.0m
- Group Operating Margin[2] of 6.9%, a 10 bps increase
- Growth in adjusted EPS[3] of 8.3% to 19.5p
- Proposed final dividend of 4.10 pence per share, giving a total dividend of 6.65 pence per share, up 8.1%
- Net debt of £331.8m with net debt:EBITDA leverage as measured under financing agreements of 2.4 times

STRATEGIC DEVELOPMENTS

- Continued strong momentum across UK and US food to go activity with 10.5% like-for-like revenue growth, well ahead of market performance
- Phase two of the Northampton expansion project completed on time with commissioning well under way. New sushi facility at Northampton also constructed and now being commissioned
- Further capacity investments made in H2 16 in UK food to go capacity in order to support strong growth pipeline
- Acquisition of The Sandwich Factory Holdings Limited ("The Sandwich Factory") in July 2016
- Rhode Island facility fully commissioned and Seattle build completed on time and to budget
- We have today also announced the proposed transformational acquisition of Peacock Foods which will accelerate our vision to become a fast-growing, international convenience food leader and establish a scaled and profitable platform for future growth in the US

SUMMARY FINANCIAL PERFORMANCE

	FY16 £m	FY15 £m	Change (as reported)	Change (like-for-like)[1]
Group revenue	1,481.9	1,340.3	+10.6%	+5.9%
Group Operating Profit[2]	102.0	91.7	+11.2%	
Group Operating Margin[2]	6.9%	6.8%	+10 bps	
Adjusted PBT[3]	85.9	78.0	+10.1%	
Adjusted EPS (pence)[3]	19.5	18.0	+8.3%	
Proposed dividend per share (pence)	6.65	6.15	+8.1%	
Net debt	331.8	265.5	+£66.3m	
Return on Invested Capital (ROIC)	13.8%	14.1%	-30 bps	
Convenience Foods Division				
Revenue	1,435.2	1,290.2	+11.2%	+6.6%
Operating Profit[2]	100.0	89.6	+11.6%	
Operating Margin[2]	7.0%	6.9%	+10 bps	

[1] References to like-for-like ("LFL") revenue growth exclude revenue from The Sandwich Factory from acquisition in July 2016 and are expressed in constant currency. FY16 was a 53 week accounting period. For comparative purposes, revenue for the week of 24-30 September 2016 has also been excluded.

[2] EBITDA, Operating Profit and Operating Margin are stated before exceptional items and acquisition related amortisation. These are non-IFRS measures; and are reconciled to IFRS measures in Note 10.

[3] Adjusted PBT and adjusted earnings measures are stated before exceptional items, pension finance items, amortisation of acquisition related intangibles, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments and are reconciled to IFRS measures in Note 10.

[4] Market / category growth rates are based on Nielsen data for the 52 weeks to 1 October 2016 or Kantar data for the 52 weeks to 2 October 2016.

Commenting on the results, Patrick Coveney, Chief Executive Officer, said:

"This has been another year of strong performance for Greencore, and these results should be seen as a clear indication that our strategy of focusing on the UK and US Convenience Foods markets is continuing to work well. In the UK, we have delivered substantial like-for-like growth against the backdrop of a challenging retail market and an uncertain economic environment, and in the US we now have a business that is primed to deliver sustainable, profitable growth. Given the underlying commercial momentum across the Group, our strong market positions, the transformational acquisition of Peacock Foods in the US that we have announced separately today, and our recent new business wins, we are confident about Greencore's future prospects."

PRESENTATION

A presentation of the results and the proposed acquisition of Peacock Foods for analysts and institutional investors will take place at 9am today at Andaz hotel, 40 Liverpool St, London EC2M 7QN.

This presentation can be accessed live through the following channels:

- Webcast – details on www.greencore.com
- Conference call:

Ireland number:	+353(0)1 2465602
UK number:	+44(0)20 3427 1908
US number:	+1212 444 0896
Pass code:	7652386

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 (0)1 4860902
UK replay number:	+44 (0)20 3427 0598
US replay number:	+1 347 366 9565
Replay code:	7652386

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About Greencore

- A leading manufacturer of convenience food in the UK and the US
- Leading 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

FY16 was another period of significant progress for the Group in achieving its ambition to become a fast-growing international convenience food leader. Our UK Food to Go business strengthened its position in the market through market share gains, continued underlying growth, and capability and capacity enhancement, all supported by its strong customer partnership model. The rest of our UK portfolio also performed well in challenging markets. Our US business has progressed through a significant build phase, and now has substantial capacity for further growth. Furthermore, we have today announced the proposed acquisition of Peacock Foods which will accelerate our vision to become a fast-growing international convenience food leader and establish a scaled and profitable platform for future growth in the US.

UK

In the UK, the Food to Go division delivered like-for-like revenue growth of 12.3%. Over the last five years, the business has organically grown its share of sandwiches in the grocery channel from 36% to 59%. It has concluded long-term sole supply arrangements with many of its key customers, and has also invested heavily in capacity in order to support its ongoing growth. In FY16, the division began the commissioning of a new sandwich facility in Northampton and also completed construction of a new sushi facility on the same campus. The business added further production lines at its two London sites in order to support the roll-out of a multi-year, sole supply agreement with a major customer.

During the last eighteen months, the Group has relocated its principal northern and southern food to go picking and distribution hubs to larger facilities and at the same time has also introduced more automated processes. This has enabled the Group to offer a wider range of distribution solutions to its customers and significantly grow the volumes of products distributed direct to store. The Group is also investing in its IT infrastructure and its enterprise resource planning solutions to build a scalable, resilient platform to support future performance and growth.

In July 2016, the Group acquired The Sandwich Factory from Cranswick plc for a headline consideration of £15m. The business extends Greencore's presence outside of its current core business with large grocery customers. The facility also offers an opportunity to modestly increase overall capacity across the Food to Go network and has also brought new capabilities in short-run, specialist product formats.

US

The US business made good progress in FY16. Like-for-like revenue growth was 5.2%. Product exits are estimated to have reduced the sales growth rate by approximately three percentage points. The Quonset, Rhode Island site was fully commissioned during H1 16 and, in H2, the business opened a new facility in Seattle. To date, the commissioning phase has gone well. The business moved into profit in H2 16 with further progress expected in FY17. Having completed the major capacity investments, the focus of the business now turns to developing the pipeline of future commercial opportunities.

Financial and Operating Performance[1,2,3]

Despite a challenging and uncertain retail and economic environment in the UK, the business continues to trade well overall. Reported Group revenue increased by 10.6% to £1,481.9m with like-for-like revenue growth in Convenience Foods of 6.6%. Group EBITDA increased by 13.9% to £138.4m while Operating Profit at the Group level grew by 11.2% to £102.0m leading to a 10 basis points increase in Operating Margin. Adjusted earnings per share were 8.3% higher driven principally by the growth in Operating Profit, partially offset by a higher finance charge.

Net debt at 30 September 2016 stood at £331.8m, an increase of £66.3m from the prior year. The increase was driven principally by the increase in capital expenditure, the acquisition of The Sandwich Factory, but also by the significant depreciation in the value of sterling since the EU referendum in June 2016. This resulted in an adverse translation impact of approximately £30m on non-sterling denominated debt. Net debt to EBITDA leverage, as at 30 September 2016 and as measured under our financing agreements, stood at 2.4 times, an increase of 0.4 turns over the year.

Dividends

The Board of Directors is recommending a final dividend of 4.10 pence per share. This will result in a total dividend for the year of 6.65 pence per share representing an increase in dividend per share of 8.1%, broadly in line with the growth in adjusted earnings per share.

OUTLOOK

Our strategy of focusing on fast-growing segments of convenience food in the UK and the US is continuing to work well. Our well-developed food to go model in the UK is benefitting from contract wins and from strong underlying growth and our US business is now primed for further growth. Across the Group, we continue to invest significantly in capacity, capability and systems in order to underpin and sustain this overall growth. In particular in Food to Go in the UK, we expect to continue with significant investments to secure, commission and launch the new business wins. The general economic backdrop in the UK is expected to remain challenging given the changing nature of the grocery industry, emerging inflationary pressures and other geopolitical uncertainties. Given our strong market positions, commercial momentum and new business wins, we are confident that Greencore is well set to achieve further progress in FY17 and beyond.

OPERATING REVIEW[1,2,3,4]

Convenience Foods

Revenue and Operating Profit

	FY16 £m	FY15 £m	Change (As reported)	Change (Like-for-like)
Revenue	1,435.2	1,290.2	+11.2%	+6.6%
Operating Profit	100.0	89.6	+11.6%	
Operating Margin	7.0%	6.9%	+10 bps	

Reported revenue in the Convenience Foods division increased by 11.2% to £1,435.2m. On a like-for-like basis, revenue was 6.6% ahead, with the UK up by 6.9% and the US up by 5.2% (product exits are estimated to have reduced the sales growth rate by approximately three percentage points). Growth in both the UK and US was driven by food to go performance with the UK business outperforming the market due to customer business wins, and the US performance driven by growth with the business' two largest customers. Operating Profit increased by 11.6% to £100.0m driven by strong revenue growth and good operational performance and despite investment in overheads and indirect costs to support new business wins, particularly in Food to Go.

UK Convenience Food

Food to Go
The UK Food to Go division represents approximately 45% 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) showed good growth in FY16 in the grocery channel with the sandwich market 4.5% ahead and chilled food to go ahead by 5.6%.

Greencore's Food to Go division again significantly outperformed the market.

Reported revenue growth was 17.0%. Excluding the acquisition of The Sandwich Factory and the impact of the 53rd week, like-for-like revenue growth was 12.3%. Growth was driven by new business wins and the associated roll out of new product lines.

The construction of unit D on the Northampton campus was completed during H1 16 and two of the four production cells were fully commissioned during the year. Construction of the sushi facility in Northampton was also completed in FY16 with the installation of production equipment now underway. The remaining transfers of new products into the Northampton campus are all scheduled to be completed during H1 17. During H2 16, the division installed additional production lines in its two London facilities to enable a major long-term sole supply award from an existing customer. The full range for this customer was relaunched towards the end of the financial year.

The business commenced a new distribution contract with an existing customer for both its sandwich and broader chilled product ranges. This contract was enabled by investment in two major picking and distribution facilities in Worksop and Hatfield, together with a significant systems upgrade.

In July 2016, the Group acquired The Sandwich Factory from Cranswick plc for a headline consideration of £15m. The business extends Greencore's presence outside of its current core business with large grocery customers. The facility also offers an opportunity to modestly increase overall capacity across the food to go network and has brought new capabilities in short-run, specialist product formats. Performance to date has been in line with expectations.

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

The chilled ready meals market grew by 2.3% in FY16 while our principal sub-segment, Italian chilled ready meals, grew by 2.5%. The quiche market grew by 1.0% while chilled soup was 2.1% lower following a mild winter.

Reported revenue in the Prepared Meals division was 5.1% higher than in FY15 or 2.9% ahead on a like-for-like basis. Chilled ready meals revenue performance was modestly ahead of the market as was soup, while quiche revenue was modestly behind the market.

During the year, all principal customer agreements were renewed and a significant number of products added or relaunched. The division has increased its participation in the Italian meals segment, underpinned by long-term customer agreements. Given this greater visibility, the Group is investing in refurbishing its two largest chilled ready meals facilities.

Grocery

The Grocery division 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 Grocery division has seen significant price deflation in its markets during the year given lower input cost prices and intense retail competition. The own label cooking sauces market grew by 0.2% in value terms whilst volumes grew by 3.4% reflecting pronounced price deflation. The Yorkshire Puddings market was 2.6% lower, the ambient cakes market was flat and the chilled desserts category grew by 3.1%.

Reported revenue in the Grocery division grew by 0.7% and was 1.2% lower on a like-for-like basis. The division is actively supporting its principal customers' initiatives, and during the year it has provided insights and category management solutions and supported customer initiatives to extend own label participation, particularly in the cooking sauces market. The growth in core volumes, together with a tight focus on cost control, has enabled the division to maintain its position.

US Convenience Foods

The US division is focused on food to go products supplied predominantly to the convenience and small store channels, including the coffee shop market. The division currently represents approximately 15% of Group revenue.

Reported revenue grew by 16.6% versus the prior year. On a like-for-like basis, revenue grew by 5.2%. Product exits are estimated to have reduced the like-for-like sales growth rate by approximately three percentage points. Underlying growth was driven by increased activity with the two principal customers of the division.

During H1 16, the Brockton facility was closed with all remaining volumes transferred to Quonset, Rhode Island. Following a challenging start-up, this site was stabilised and operational metrics are now in line with expectations. In June 2016, the new facility in Seattle was opened on time and on budget. Operational performance, customer service and colleague recruitment and retention at the site are all in line with expectations.

During H2 16, the US business moved into profit. Efforts are now focused on building a robust pipeline of growth opportunities to increase capacity utilisation across the network.

Ingredients & Property

	FY16 £m	FY15 £m	Change (As Reported)	Change (Like-for-Like)
Revenue	46.7	50.1	-6.8%	-12.0%
Operating Profit	2.0	2.1	-4.8%	

The Ingredients and Property division represents less than 5% of Group revenue and a smaller proportion of Group profits. The revenue decline in the year was driven by challenging global dairy markets and lower commodity prices in edible oils. This also resulted in modestly lower Operating Profit.

FINANCIAL REVIEW[2,3]

Revenue and Operating Profit
Reported revenue in the year was £1,481.9m, an increase of 10.6% versus FY15. Group Operating Profit of £102.0m was £10.3m, or 11.2% higher than in FY15. Group Operating Margin was 6.9%, 10 basis points ahead of the prior year. The improvement in Operating Profit and Operating Margin was driven by the growth in volume and revenue, together with good operational control across the business.

Interest Payable
The Group's bank interest payable in FY16 was £17.1m, an increase of £2.0m. The increase was driven by higher average net debt as a result of the Group's capital investment programme and FX translation on US dollar denominated debt. The composition of the charge was £16.0m of interest payable, an amortisation charge in respect of facility fees of £0.6m and commitment fees for undrawn facilities of £0.5m.

Non-Cash Finance Charge
The Group's non-cash finance charge in FY16 was £10.8m (£5.8m charge in FY15). The change in the fair value of derivatives and related debt adjustments was a non-cash charge of £6.5m (£1.4m charge in FY15) reflecting the FX movement on balances where hedge accounting is not applied. The non-cash pension financing charge of £4.4m was £0.5m lower than the FY15 charge of £4.9m. The Group recorded a £0.1m credit in respect of the increase in the present value of assets and liabilities compared to a £0.5m credit in FY15.

Taxation
The Group's effective tax rate in FY16 (including the tax impact associated with pension finance items) was 2% as compared to 1% in FY15. Over the last five years, the Group's effective tax rate has benefitted from historic tax losses. As at the end of September 2016, substantially all of the UK historic losses have been recognised as a deferred tax asset in the balance sheet. While the effective tax rate will rise more markedly from FY17, cash tax will continue to lag the income statement effective tax rate in the next two to three years.

Exceptional Items
The Group incurred a pre-tax exceptional charge in the year of £17.4m (FY15: £3.4m), £15.9m on a post-tax basis. This was composed as follows:

- a £2.7m charge in relation to the pre-commissioning and start-up costs in UK food to go and in Seattle, together with the completion of the exit from its facilities in Newburyport and Brockton, Massachusetts;
- a £6.6m charge in relation to UK reorganisation costs comprising a non cash £1.9m charge in connection with the removal of redundant production equipment and the clearance of production space to enable capacity increases and £4.7m in connection with a reorganisation of the distribution structure and the realignment of structures to manage significant long-term sole supply agreements and to optimise labour costs;
- a charge of £4.0m relating to the Group's former sugar processing sites as the process of remediation has proven to be longer and more complex than had previously been anticipated, leading to greater costs being incurred to meet the requirements of the Environmental Protection Agency;
- and a charge of £4.1m in relation to acquisition transaction and integration costs, of which £1.0m relates to the acquisition and integration of The Sandwich Factory and £3.1m relates to the acquisition of Peacock Foods announced today.

Earnings per Share
Adjusted Earnings of £79.7m were 9.5% or £6.9m above prior year. Adjusted Earnings per share of 19.5 pence were 8.3% ahead of FY15.

Cash Flow and Net Debt
A net cash inflow from operating activities of £115.3m was recorded compared to an inflow of £78.8m in FY15. There was an inflow of net working capital of £13.2m in FY16 as compared to an outflow of £7.6m in FY15.

Capital expenditure of £103.1m was incurred in the year compared to £93.1m in FY15, an increase of £10.0m. The Group continues to make significant investments in production capacity to meet new business demand in its food to go businesses. Major investments in the period included the expansion of capacity in Northampton and the construction of a new facility in Seattle, together with investments in distribution and IT infrastructure. Capital expenditure in FY17 for the existing Group is expected to be in the range of £90m-£100m as the Group continues to invest in capacity and capability enhancements.

Interest costs of £15.5m were paid in the year (FY15: £16.6m) with cash dividends to equity holders of £19.1m (FY15: £17.2m).

The Group's net debt at 30 September 2016, a seasonal low point, was £331.8m, an increase of £66.3m from 25 September 2015. The increase was driven by the increase in capital expenditure, the acquisition of The Sandwich Factory in July 2016 and the steep depreciation in the value of sterling following the EU referendum in June 2016 which affects the translation value of US dollar denominated debt.

The net debt at year end of £331.8m resulted in leverage as measured by the Group's financing providers of 2.4 times (FY15: 2.0 times).

During the year, the Group repaid $100m of maturing private placement notes. These notes were refinanced in June 2016 with $74.5m and £18m of new notes with an average maturity of 8.5 years. During the year, the Group's primary bank facility of £300m was extended for a further year to March 2021. The Group remains well financed with committed facilities of £536m at 30 September 2016 and a weighted average maturity of 4.7 years. The £536m of committed facilities are comprised of £350m of bank borrowings and £186m of non-bank borrowings. The maturity profile of these borrowings consists of £411m of facilities with a maturity between 1 and 5 years and £125m of facilities with a maturity of greater than 5 years.

Pensions

The net pension deficit (before related deferred tax) increased to £162.3m at 30 September 2016 from £112.7m at 25 September 2015. The net pension deficit after related deferred tax was £134.7m, an increase of £45.3m from 25 September 2015. The principal driver of the year on year increase was the sharp fall in the UK discount rate from 3.90% to 2.35% while inflation expectations remained largely unchanged.

The fair value of total plan assets relating to the Group's defined benefit pension schemes increased to £497.8m at 30 September 2016 from £393.2m at 25 September 2015. The present value of the total pension liabilities for these schemes increased to £660.1m from £505.9m 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.

Despite the increase in the net deficit, the Group expects the annual cash funding requirement for Defined Benefit pension schemes to remain unchanged at approximately £15m.

Key Performance Indicators[1,2,3]

The Group uses the following key performance indicators (KPIs) to measure the performance of its operations: Like-for-Like Sales Growth, Operating Margin, Return on Invested Capital (ROIC), Cash Flow and Adjusted Earnings per Share. Certain of these KPIs are non-IFRS measures.

The Group believes that these KPIs provide useful historical financial information to an investor, help investors evaluate the performance of the underlying business and are measures commonly used by certain investors and securities analysts for evaluating performance. In addition, the Group uses certain KPIs which reflect underlying performance on the basis that this provides a more relevant focus on the core business performance of the Group. Although the measures are separate, the relationship between all five is also monitored. In addition, other performance indicators are measured at Divisional level.

Summarised below are the Group's KPIs results for the financial years presented:

	2016	**2015**
Like-For-Like Sales Growth*	5.9%	5.4%
Operating Margin*	6.9%	6.8%
Cash Flow (millions)	£115.3	£78.8
Return on Invested Capital*	13.8%	14.1%
Adjusted EPS (pence) *	19.5	18.0

*These KPIs are non-IFRS measures and are defined and reconciled in Note 10.

Sales Growth
Reported Group revenue increased by 10.6% in FY16. In the convenience foods division, reported revenue growth was 11.2%.

On a like-for-like basis, Group revenue increased by 5.9%. In Convenience Foods, we recorded like-for-like revenue growth in the UK of 6.9%. In the US in FY16, we recorded like-for-like revenue growth of 5.2%.

In the Ingredients & Property division, we track sales, although this is not the primary measure of performance for this division. In FY16, the division recorded a decline of 12.0% on a like-for-like basis.

Operating Margin
The Group's Operating Margin in FY16 was 6.9% compared to 6.8% in FY15.

In Convenience Foods, the Operating Margin was 7.0% compared to 6.9% in FY15. This was driven by the growth in revenue and good operational performance.

Cash Flow
Net cash inflow from operating activities was £115.3m compared to £78.8m in FY15. The increase was predominantly driven by an inflow in net working capital as opposed to an outflow in the prior year together with the growth in EBITDA.

Return on Invested Capital
The Group's return on invested capital in FY16 was 13.8% (FY15: 14.1%).The decrease was predominantly driven by increased capital investment in FY15 and FY16 which will support future sales growth.

Adjusted Earnings per Share
Adjusted earnings per share were 19.5 pence compared to 18.0 pence in FY15, an increase of 8.3%.

Principal Risks and Uncertainties
There are a number of potential risks and uncertainties which could have a material impact on future Group performance and could cause actual results to differ materially from expected and historical results. The Board considers the risks and uncertainties described on pages 12 to 17 of the Annual Report and Accounts for the year ended 25 September 2015 issued on 24 November 2015 to remain applicable. Attention is also drawn to the prospectus issued today in relation to the Peacock Foods acquisition which includes a detailed section on business risks and specific risks associated with that transaction.

GROUP INCOME STATEMENT
year ended 30 September 2016

	Notes	**2016 (Unaudited) Pre – exceptional £m**	**2016 (Unaudited) Exceptional Note 3 £m**	**2016 (Unaudited) Total £m**	2015 (Audited) Pre – exceptional £m	2015 (Audited) Exceptional Note 3 £m	2015 (Audited) Total £m
Revenue	2	**1,481.9**	**-**	**1,481.9**	1,340.3	-	1,340.3
Cost of sales		**(1,009.5)**	**-**	**(1,009.5)**	(917.4)	-	(917.4)
Gross profit		**472.4**	**-**	**472.4**	422.9	-	422.9
Operating costs, net		**(370.4)**	**(17.4)**	**(387.8)**	(331.2)	(3.4)	(334.6)
Group Operating Profit before acquisition related amortisation	2	**102.0**	**(17.4)**	**84.6**	91.7	(3.4)	88.3
Amortisation of acquisition related intangibles		**(9.2)**	**-**	**(9.2)**	(8.7)	-	(8.7)
Group Operating Profit	2	**92.8**	**(17.4)**	**75.4**	83.0	(3.4)	79.6
Finance income	6	**0.1**	**-**	**0.1**	0.5	-	0.5
Finance costs	6	**(28.0)**	**-**	**(28.0)**	(21.4)	-	(21.4)
Share of profit of associates after tax		**0.7**	**-**	**0.7**	0.7	-	0.7
Profit before taxation		**65.6**	**(17.4)**	**48.2**	62.8	(3.4)	59.4
Taxation		**(1.2)**	**1.5**	**0.3**	(0.4)	-	(0.4)
Profit for the year		**64.4**	**(15.9)**	**48.5**	62.4	(3.4)	59.0
Attributable to:							
Equity shareholders		**63.3**	**(15.9)**	**47.4**	61.4	(3.4)	58.0
Non-controlling interests		**1.1**	**-**	**1.1**	1.0	-	1.0
		64.4	**(15.9)**	**48.5**	62.4	(3.4)	59.0
Earnings per share (pence)							
Basic earnings per share	5			**11.6**			14.3
Diluted basic earnings per share	5			**11.4**			14.0

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
year ended 30 September 2016

	2016 (Unaudited) £m	2015 (Audited) £m
Items of income and expense taken directly within equity		
Items that will not be reclassified to Profit or Loss		
Actuarial (loss)/gain on Group defined benefit pension schemes	**(59.8)**	9.2
Deferred tax on Group defined benefit pension schemes	**4.7**	-
	(55.1)	9.2
Items that may subsequently be reclassified to profit or loss		
Currency translation adjustment	**28.1**	9.7
Deferred tax on currency translation adjustment	**(0.3)**	0.4
Hedge of net investment in foreign currency subsidiaries	**(25.7)**	(8.4)
Cash flow hedges:		
Fair value movement taken to equity	**2.3**	(7.7)
Transfer to Income Statement for the year	**(6.0)**	2.6
Deferred tax on cash flow hedge	**(0.1)**	0.1
	(1.7)	(3.3)
Net (expense)/income recognised directly within equity	**(56.8)**	5.9
Group profit for the financial year	**48.5**	59.0
Total recognised income and expense for the financial year	**(8.3)**	64.9
Attributable to:		
Equity shareholders	**(10.1)**	64.1
Non-controlling interests	**1.8**	0.8
Total recognised income and expense for the financial year	**(8.3)**	64.9

GROUP BALANCE SHEET
at 30 September 2016

	Notes	2016 (Unaudited) £m	2015 (Audited) £m
ASSETS			
Non-current assets			
Goodwill and intangible assets		**552.4**	507.5
Property, plant and equipment		**367.4**	304.8
Investment property		**6.2**	6.5
Investment in associates		**1.0**	1.0
Other receivables		**2.5**	12.3
Retirement benefit assets	7	**16.7**	15.0
Derivative financial instruments		**0.2**	-
Deferred tax assets		**60.1**	65.0
Total non-current assets		**1,006.5**	912.1
Current assets			
Inventories		**65.7**	57.5
Trade and other receivables		**157.6**	144.0
Derivative financial instruments		**0.6**	7.3
Cash and cash equivalents	6	**25.5**	6.3
Total current assets		**249.4**	215.1
Total assets		**1,255.9**	1,127.2
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**4.1**	4.1
Share premium		**198.9**	191.6
Reserves		**78.2**	123.9
		281.2	319.6
Non-controlling interests		**4.4**	3.4
Total equity		**285.6**	323.0
LIABILITIES			
Non-current liabilities			
Borrowings	6	**357.3**	211.2
Derivative financial instruments		**23.0**	16.8
Retirement benefit obligations	7	**179.0**	127.7
Other payables		**1.7**	2.0
Provisions for liabilities		**3.7**	2.7
Deferred tax liabilities		**9.3**	17.4
Total non-current liabilities		**574.0**	377.8
Current liabilities			
Borrowings		**-**	67.8
Derivative financial instruments		**0.3**	0.1
Trade and other payables		**376.2**	339.6
Provisions for liabilities		**6.3**	3.0
Current tax payable		**13.5**	15.9
Total current liabilities		**396.3**	426.4
Total liabilities		**970.3**	804.2
Total equity and liabilities		**1,255.9**	1,127.2

GROUP CASH FLOW STATEMENT
year ended 30 September 2016

	2016 (Unaudited) £m	2015 (Audited) £m
Profit before taxation	**48.2**	59.4
Finance income	**(0.1)**	(0.5)
Finance costs	**28.0**	21.4
Share of profit of associates (after tax)	**(0.7)**	(0.7)
Exceptional items	**17.4**	3.4
Operating Profit (pre-exceptional)	**92.8**	83.0
Depreciation	**32.7**	27.4
Amortisation of intangible assets	**12.9**	11.1
Employee share based payment expense	**3.2**	4.3
Contributions to defined benefit pension schemes	**(14.0)**	(13.5)
Working capital movement	**13.2**	(7.6)
Other movements	**0.2**	0.2
Net cash inflow from operating activities before exceptional items	**141.0**	104.9
Cash outflow related to exceptional items	**(9.9)**	(9.2)
Interest paid	**(15.5)**	(16.6)
Tax paid	**(0.3)**	(0.3)
Net cash inflow from operating activities	**115.3**	78.8
Cash flow from investing activities		
Dividends received from associates	**0.6**	0.6
Contract acquisition costs	**(2.4)**	(8.8)
Purchase of property, plant and equipment	**(87.7)**	(79.1)
Disposal of investment property	**1.1**	-
Purchase of intangible assets	**(15.4)**	(14.0)
Acquisition of undertakings	**(16.6)**	-
Disposal of undertakings	**0.9**	0.4
Net cash outflow from investing activities	**(119.5)**	(100.9)
Cash flow from financing activities		
Proceeds from the issue of shares	**1.1**	0.9
Ordinary shares purchased – own shares	**(13.7)**	(13.1)
Drawdown of bank borrowings	**47.0**	47.6
Drawdown of private placement notes	**76.2**	-
Repayment of private placement notes	**(67.7)**	-
Decrease in finance lease liabilities	**(0.1)**	(0.1)
Dividends paid to equity holders of the Company	**(19.1)**	(17.2)
Dividends paid to non-controlling interests	**(0.9)**	(0.8)
Net cash inflow from financing activities	**22.8**	17.3
Net increase/(decrease) in cash and cash equivalents	**18.6**	(4.8)
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of year	**6.3**	12.2
Translation adjustment	**0.6**	(1.1)
Increase/(decrease) in cash and cash equivalents	**18.6**	(4.8)
Net cash and cash equivalents at end of year	**25.5**	6.3

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 25 September 2015	**4.1**	**191.6**	**112.7**	**11.2**	**319.6**	**3.4**	**323.0**
Total recognised income and expense for the financial year	**-**	**-**	**(2.1)**	**(8.0)**	**(10.1)**	**1.8**	**(8.3)**
Currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**
Employee share based payment expense	**-**	**-**	**3.2**	**-**	**3.2**	**-**	**3.2**
Tax on share based payments	**-**	**-**	**-**	**0.9**	**0.9**	**-**	**0.9**
Exercise, lapse or forfeit of share based payments	**-**	**1.1**	**(4.3)**	**4.3**	**1.1**	**-**	**1.1**
Shares acquired by Employee Benefit Trust	**-**	**-**	**(13.8)**	**-**	**(13.8)**	**-**	**(13.8)**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust	**-**	**-**	**14.8**	**(14.8)**	**-**	**-**	**-**
Dividends	**-**	**6.2**	**-**	**(25.9)**	**(19.7)**	**(0.9)**	**(20.6)**
At 30 September 2016	**4.1**	**198.9**	**110.5**	**(32.3)**	**281.2**	**4.4**	**285.6**

At 26 September 2014	4.1	185.7	107.9	(17.5)	280.2	3.4	283.6
Total recognised income and expense for the financial year	-	-	(3.5)	67.6	64.1	0.8	64.9
Currency translation adjustment	-	-	(0.1)	-	(0.1)	-	(0.1)
Employee share based payment expense	-	-	4.3	-	4.3	-	4.3
Tax on share based payments	-	-	-	1.4	1.4	-	1.4
Exercise, lapse or forfeit of share based payments	-	0.9	(2.6)	2.6	0.9	-	0.9
Shares acquired by Employee Benefit Trust	-	-	(13.1)	-	(13.1)	-	(13.1)
Shares transferred to beneficiaries of the Employee Benefit Trust	-	-	9.4	(9.4)	-	-	-
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust	-	-	10.4	(10.4)	-	-	-
Dividends	-	5.0	-	(23.1)	(18.1)	(0.8)	(18.9)
At 25 September 2015	4.1	191.6	112.7	11.2	319.6	3.4	323.0

GROUP STATEMENT OF CHANGES IN EQUITY *(continued)*
Other Reserves

	Share options	Own shares	Capital redemption reserve	Capital conversion reserve fund	Hedging reserve	Foreign currency translation reserve	Total
	£m	£m	£m	£m	£m	£m	£m
At 25 September 2015	**8.7**	**(8.5)**	**117.0**	**0.8**	**(11.0)**	**5.7**	**112.7**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**27.4**	**27.4**
Net investment hedge	**-**	**-**	**-**	**-**	**-**	**(25.7)**	**(25.7)**
Cash flow hedges taken to equity	**-**	**-**	**-**	**-**	**2.3**		**2.3**
Cash flow hedges transferred to Income Statement	**-**	**-**	**-**	**-**	**(6.0)**	**-**	**(6.0)**
Tax on cash flow hedges	**-**	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**
Total recognised income and expense for the financial period	**-**	**-**	**-**	**-**	**(3.8)**	**1.7**	**(2.1)**
Employee share-based payment expense	**3.2**	**-**	**-**	**-**	**-**	**-**	**3.2**
Exercise, lapse or forfeit of share based payments	**(4.3)**	**-**	**-**	**-**	**-**	**-**	**(4.3)**
Shares acquired by Employee Benefit Trust	**-**	**(13.8)**	**-**	**-**	**-**	**-**	**(13.8)**
Shares granted to Employee Benefit Trust beneficiaries	**-**	**14.8**	**-**	**-**	**-**	**-**	**14.8**
At 30 September 2016	**7.6**	**(7.5)**	**117.0**	**0.8**	**(14.8)**	**7.4**	**110.5**

	Share options	Own shares	Capital redemption reserve	Capital conversion reserve fund	Hedging reserve	Foreign currency translation reserve	Total
At 26 September 2014	7.1	(15.2)	117.0	0.8	(6.0)	4.2	107.9
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	-	-	-	9.9	9.9
Net investment hedge	-	-	-	-	-	(8.4)	(8.4)
Cash flow hedges taken to equity	-	-	-	-	(7.7)	-	(7.7)
Cash flow hedges transferred to Income Statement	-	-	-	-	2.6	-	2.6
Tax on cash flow hedges	-	-	-	-	0.1	-	0.1
Total recognised income and expense for the financial period	-	-	-	-	(5.0)	1.5	(3.5)
Currency translation adjustment	(0.1)	-	-	-	-	-	(0.1)
Employee share-based payment expense	4.3	-	-	-	-	-	4.3
Exercise, lapse or forfeit of share based payments	(2.6)	-	-	-	-	-	(2.6)
Shares acquired by Employee Benefit Trust	-	(13.1)	-	-	-	-	(13.1)
Shares granted to Employee Benefit Trust beneficiaries	-	9.4	-	-	-	-	9.4
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust	-	10.4	-	-	-	-	10.4
At 25 September 2015	8.7	(8.5)	117.0	0.8	(11.0)	5.7	112.7

NOTES TO THE PRELIMINARY STATEMENT
year ended 30 September 2016

1. Basis of Preparation of Financial Information under IFRS

The financial information included within this unaudited Preliminary Full Year Results Statement for the years ended 30 September 2016 and 25 September 2015 does not constitute the statutory financial statements of the company within the meaning of section 293 of the Companies Act 2014. The Group financial information for the year ended 25 September 2015 included in this statement represents an abbreviated version of the statutory Group financial statements for that year. The statutory financial statements for the company for the year ended 25 September 2015, to which an unqualified audit opinion was attached, were annexed to the annual return of the company and filed with the Registrar of companies.

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

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

The financial information, which is presented in sterling and expressed in millions (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 2015 Annual Report. The accounting policies applied are consistent with those applied in the Group Financial Statements for the year ended 25 September 2015.

The adoption of new standards and interpretations (as set out in the 2015 Annual Report) that became effective for the Group's financial statements for the year ended 30 September 2016 did not have any significant impact on the Group Preliminary Full Year Results Statement.

The Preliminary Full Year Results Statement of the Group is prepared for the 53 week period ending on 30 September 2016. Comparatives are for the 52 week period ended 25 September 2015. The balance sheets for 2016 and 2015 have been drawn up as at 30 September 2016 and 25 September 2015 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 food. The Convenience Foods US segment and the Convenience Foods UK segment have been aggregated as the segments have similar characteristics. The economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics include expected future financial performance; operating and competitive risks; return on invested capital and the ratio of capital expenditure (excluding the impact of one-off significant projects) to sales.

Ingredients and 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.

2. Segment Information (continued)

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 amortisation of acquisition related intangible assets. 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	
	2016 £m	2015 £m	**2016 £m**	2015 £m	**2016 £m**	2015 £m
Revenue	**1,435.2**	1,290.2	**46.7**	50.1	**1,481.9**	1,340.3
Group Operating Profit before exceptional items and acquisition related amortisation	**100.0**	89.6	**2.0**	2.1	**102.0**	91.7
Amortisation of acquisition related intangible assets	**(9.2)**	(8.7)	**-**	-	**(9.2)**	(8.7)
Exceptional items					**(17.4)**	(3.4)
Group Operating Profit	**90.8**	80.9	**2.0**	2.1	**75.4**	79.6
Finance income					**0.1**	0.5
Finance costs					**(28.0)**	(21.4)
Share of profit of associates after tax					**0.7**	0.7
Profit before taxation					**48.2**	59.4

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.

		2016 £m	2015 £m
Pre-commissioning costs	(a)	**(2.7)**	(3.4)
Reorganisation costs	(b)	**(6.6)**	-
Remediation costs	(c)	**(4.0)**	-
Transaction and integration costs of acquisitions	(d)	**(4.1)**	-
		(17.4)	(3.4)
Tax on exceptional items	(e)	**1.5**	-
Total exceptional expense		**(15.9)**	(3.4)

(a) Pre-commissioning costs
The group recognised a £2.7m charge in the year, in relation to the pre-commissioning and start-up costs in UK Food to Go and in Seattle, together with the completion of the exit from its facilities in Newburyport and Brockton, Massachusetts.

During the prior year, the Group recognised a £3.4m charge in relation to the start-up of production at the new facility in Quonset, Rhode Island and the related exit from its facilities in Newburyport and Brockton, Massachusetts.

(b) Reorganisation costs
The Group recognised a £6.6m charge for reorganisation costs in the UK business in the year, comprising £1.9m in relation to the removal of redundant production equipment and the clearance of production space to enable capacity increases and £4.7m in connection with a reorganisation of the distribution structure and the realignment of structures to manage significant long-term sole supply agreements and to optimise labour costs.

3. Exceptional Items (continued)

(c) Remediation costs
The Group recognised a £4.0m charge in the year, in relation to the Group's former sugar processing sites, as the process of remediation has proven to be longer and more complex than had previously been anticipated, leading to greater costs being incurred to meet the requirements of the Environmental Protection Agency.

(d) Transaction and integration costs of acquisitions
The Group recognised a £4.1m charge in the year, of which £1.0m was in relation to the transaction and integration costs associated with the acquisition of The Sandwich Factory Holdings Limited in the UK. As set out in note 9, the Group today announces the proposed acquisition of Peacock Foods and the related transaction costs incurred up to 30 September 2016 were £3.1m.

(e) Tax
During the year, the Group recognised a tax credit of £1.5m in respect of exceptional charges.

4. Dividends paid and proposed

	2016 £m	2015 £m
Amounts recognised as distributions to equity holders during the year:		
Equity dividends on ordinary shares:		
Final dividend of 3.75 pence for the year ended 25 September 2015 (2014: 3.25 pence)	**15.4**	13.2
Interim dividend of 2.55 pence for the year ended 30 September 2016 (2015: 2.40 pence)	**10.5**	9.9
	25.9	23.1
Proposed for approval at AGM:		
Equity dividends on ordinary shares:		
Final dividend of 4.10 pence for the year ended 30 September 2016 (2015: 3.75 pence)	**17.0**	15.4

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 30 September 2016, in accordance with IAS 10 Events after the Balance Sheet Date. The proposed final dividend for the year ended 30 September 2016 will be payable on 4 April 2017 to shareholders on the Register of Members at 2 December 2016.

5. Earnings per Ordinary Share

Basic Earnings per Ordinary Share
Basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held in trust in respect of the Annual Bonus Scheme, the Performance Share Plan and the Executive Share Option Scheme. The adjusted figures for basic and diluted earnings per ordinary share is calculated as profit attributed to equity holders of the company adjusted to exclude exceptional items (net of tax), 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 (net of tax) and the effect of interest expense relating to Defined Benefit pension liabilities (net of tax).

	2016 £m	**2015 £m**
Profit attributable to equity holders of the Company	**47.4**	58.0
Exceptional items (net of tax)	**15.9**	3.4
Fair value of derivative financial instruments and related debt adjustments	**(0.6)**	(0.4)
FX on inter-company and external balances where hedge accounting is not applied	**7.1**	1.8
Amortisation of acquisition related intangible assets (net of tax)	**6.5**	6.1
Pension financing (net of tax)	**3.4**	3.9
Numerator for adjusted earnings per share calculation	**79.7**	72.8

5. Earnings per Ordinary Share (continued)

Denominator for earnings per share and adjusted earnings per share calculation

	2016 '000	2015 '000
Shares in issue at the beginning of the year	**410,300**	407,109
Effect of shares held by Employee Benefit Trust	**(2,659)**	(2,778)
Effect of shares issued during the year	**1,615**	1,205
Weighted average number of ordinary shares in issue during the year	**409,256**	405,536

	2016 Pence	2015 Pence
Basic earnings per share	**11.6**	14.3
Adjusted basic earnings per share	**19.5**	18.0

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 Performance Share Plan awards, 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 vesting have not been satisfied as at the end of the reporting period. Options over 6,042,288 (2015: 3,961,702) 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.

Denominator for diluted earnings per share and adjusted diluted earnings per share

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:

	2016 '000	2015 '000
Weighted average number of ordinary shares in issue during the year	**409,256**	405,536
Dilutive effect of share options	**5,328**	7,781
Weighted average number of ordinary shares for diluted earnings per share	**414,584**	413,317

	2016 Pence	2015 Pence
Diluted basic earnings per ordinary share	**11.4**	14.0
Adjusted diluted basic earnings per ordinary share	**19.2**	17.6

6. Components of Net Debt and Financing

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

Net finance costs	2016 £m	2015 £m
Net finance costs on interest bearing cash and cash equivalents, borrowings and other financing costs	**(16.9)**	(14.9)
Pension financing	**(4.4)**	(4.9)
Interest on obligations under finance leases	**(0.2)**	(0.2)
Fair value of derivative financial instruments and related debt adjustments	**0.6**	0.4
FX on inter-company and external balances where hedge accounting is not applied	**(7.1)**	(1.8)
Unwind of present value discount on non-current payables and receivables	**0.1**	0.5
	(27.9)	(20.9)
Analysed as:		
Finance income	**0.1**	0.5
Finance costs	**(28.0)**	(21.4)

6. Components of Net Debt and Financing (continued)

Net debt	2016 £m	2015 £m
Cash and cash equivalents (net of bank overdraft)	**25.5**	6.3
Bank borrowings	**(170.6)**	(116.0)
Non-bank borrowings	**(60.5)**	(51.6)
Private placement notes	**(125.2)**	(110.3)
Finance leases	**(1.0)**	(1.1)
Cross-currency interest rate swaps – fair value hedges	**-**	7.2
Group net debt	**(331.8)**	(265.5)
	(27.9)	(20.9)

The Group repaid US $100m in Private Placement notes in October 2015 and subsequently issued Private Placement notes of US $74.5m and £18m in June 2016.

The Group refinanced its May 2016 maturing £280m bank Revolving Credit Facility with a new £300m facility on 27 March 2015. This resulted in a repayment of US $88m and £30m on the maturing facility. During the year, the Group had additional bank borrowings of £46.3m on its Revolving Credit Facility and the Group's primary bank facility of £300m was extended for a further year to March 2021.

7. Retirement Benefit Schemes

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

The principal actuarial assumptions are as follows:

	2016		2015	
	Ireland	**UK**	Ireland	UK
Rate of increase in pension payments*	0.00%	2.95%	0.00%	2.90%
Discount rate	1.10%	2.35%	2.30%	3.90%
Inflation rate	1.20%	3.00%	1.65%	3.05%

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

The financial position of the schemes was as follows:

	2016			2015		
	Irish Schemes £m	**UK Schemes £m**	**Total £m**	Irish Schemes £m	UK Schemes £m	Total £m
Total market value of scheme assets	**286.5**	**211.3**	**497.8**	224.5	168.7	393.2
Present value of scheme liabilities	**(276.3)**	**(383.8)**	**(660.1)**	(213.0)	(292.9)	(505.9)
Surplus/(deficit) in schemes	**10.2**	**(172.5)**	**(162.3)**	11.5	(124.2)	(112.7)
Deferred tax asset/(liability)	**(1.4)**	**29.0**	**27.6**	(1.3)	24.6	23.3
Net asset/(liability) at end of the period	**8.8**	**(143.5)**	**(134.7)**	10.2	(99.6)	(89.4)
Presented as:						
Retirement benefit asset**			**16.7**			15.0
Retirement benefit obligation			**(179.0)**			(127.7)
Deficit in schemes			**(162.3)**			(112.7)

** The value of a net pension benefit asset is the value of any amount the Group reasonably expects to recover by way of refund of surplus from the remaining assets of a plan at the end of the plan's life.

7. Retirement Benefit Schemes (continued)

Sensitivity of Pension Liability to Judgemental Assumptions

		Increase in Scheme Liabilities		
Assumption	**Change in assumption**	**Irish Schemes**	**UK Schemes**	**Total**
Discount rate	Decrease by 0.5%	£21.1m	£39.7m	£60.8m
Rate of inflation	Increase by 0.5%	£7.7m	£23.0m	£30.7m
Rate of mortality	Members assumed to live 1 year longer	£9.1m	£15.4m	£24.5m

Sensitivity of Pension Scheme Assets to Yield Movements

		Increase in Assets		
Assumption	**Change in assumption**	**Irish Schemes**	**UK Schemes**	**Total**
Change in bond yields	Decrease by 0.5%	£18.2m	£11.9m	£30.1m

On 10 May 2013, the Group made a contribution to the UK Scheme of £32.8m. On the same day, the UK Scheme's trustees invested £32.8m in Greencore Convenience Foods Limited Partnership ("SLP") as a limited partner. SLP was established by Greencore Prepared Meals Limited, a wholly owned subsidiary of the Group, to hold properties of the Group and loan notes issued by Greencore Convenience Foods I Limited Liability Partnership ("LLP"). LLP was established by SLP and holds certain trade receivables of the Group. As at 30 September 2016, SLP held properties with a carrying value of £17.6m (2015: £18.1m,) the trade receivables amounting to £33.1m (2015: £36.0m), and restricted cash of £2.9m in the Group Financial Statements. The properties are leased to other Group undertakings. As a partner in SLP, the Scheme is entitled to a semi-annual share of the profits of SLP until 2029. These partnerships are controlled by the Group, and as such, they are fully consolidated as wholly owned subsidiaries in accordance with IFRS 10 Consolidated Financial Statements. Under IAS 19 Employee Benefits, the investment held by the Scheme in SLP, does not represent a plan asset for the purposes of the Group's consolidated accounts. Accordingly, the Scheme's deficit position presented in the Group Financial Statements does not reflect the investment in SLP held by the Scheme. Distributions from SLP to the Scheme are treated as contributions by employers in the Group Financial Statements on a cash basis.

8. Acquisitions

On 22 July 2016, the Group acquired 100% of The Sandwich Factory, a manufacturer of food to go products for the UK convenience food market. The company employs approximately 480 staff at its purpose-built facility in Atherstone, Warwickshire. The acquisition provides the Group's Convenience Food division with additional manufacturing capability to meet the expanding demand within the sector.

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

	2016 £'m
Assets	
Property, plant and equipment	**2.2**
Inventory	**1.1**
Trade and other receivables	**9.3**
Total assets	**12.6**
Liabilities	
Provisions	**(2.3)**
Trade and other payables	**(8.7)**
Total liabilities	**(11.0)**
Net assets acquired	**1.6**
Goodwill	**14.2**
Total enterprise value	**15.8**
Satisfied by:	
Cash Consideration	**15.5**
Cash and cash equivalents acquired	**(0.5)**
Working Capital Consideration	**0.8**
Net cash outflow	**15.8**

8. Acquisitions (continued)

The principal factor contributing to the recognition of goodwill on the acquisition of The Sandwich Factory is the expected realisation of production and purchasing synergies with existing customers, through the complementary product offering of The Sandwich Factory with the existing product offering of the Group.

As part of the acquisition the Group acquired trade receivables with a fair value of £8.2m. Management estimate that acquired receivables will be collected in full. The goodwill is not deductible for tax purposes.

The post-acquisition impact of The Sandwich Factory acquisition on the Group was to increase revenue by £12.4m and Group profit by £0.4m. If the acquisition had occurred at the beginning of the Group's financial year, revenue would have been £35.9m higher and the profit for the year would have been £1.0m higher.

9. Subsequent Events

The Group today announced the proposed acquisition of Peacock Foods for a total consideration of $747.5m on a debt free and cash free basis. The proposed acquisition and related expenses will be funded by a fully underwritten Rights Issue to raise a total of £439.4m and new debt facilities of approximately £200m.

The Acquisition is of sufficient size relative to the Group to constitute a Class 1 transaction for the purposes of the Listing Rules and the Acquisition is therefore conditional, among other things, upon the approval of Shareholders. The Rights Issue is also conditional upon, among other things, the passing of the Transaction Resolutions. Accordingly, an Extraordinary General Meeting of the Group is to be held on 7 December 2016 for the purposes of approving the Acquisition and the Transaction Resolutions that are required in order to implement the Rights Issue.

10. KPI Definitions and Reconciliations

The Group uses the following key performance indicators (KPIs) to measure the performance of its operations: Like-for-Like Sales Growth, Operating Margin, Return on Invested Capital (ROIC), Cash Flow and Adjusted Earnings per Share. Certain of these KPIs are non-IFRS measures and the reconciliation to the performance measures is as follows.

Sales Growth

The Group uses Like-For-Like Sales Growth as a supplemental measure of its performance. The Group believes that Like-For-Like Sales Growth provides a more accurate guide to underlying revenue performance. Like-For-Like Sales Growth excludes the impact of acquisitions or disposals in the year and is calculated on a local currency basis (i.e. on a constant currency basis) and exclude the impact of a 53rd week in a 53 week financial year.

Operating Margin

The Group calculates Operating Margin as Operating Profit before amortisation of acquisition related intangibles and exceptional charges ("Operating Profit") divided by reported revenue. Operating Margin is used by Greencore to measure underlying operating performance. The following table sets forth a reconciliation from the Group's statutory profit to Operating Profit and Adjusted EBITDA, as well as a calculation of Operating Margin, for the financial years indicated.

	2016 £m	2015 £m
Statutory profit for the financial year	**48.5**	59.0
Taxation#	**(0.3)**	0.4
Net finance costs##	**27.9**	20.9
Share of profit of associates after tax	**(0.7)**	(0.7)
Exceptional items	**17.4**	3.4
Amortisation of acquisition related intangibles	**9.2**	8.7
Operating Profit	**102.0**	91.7
Depreciation and amortisation###	**36.4**	29.8
Adjusted EBITDA	**138.4**	121.5
Operating Margin (%)	**6.9**	6.8

Includes tax on exceptional items of £1.5m, (2015: £nil).
Finance costs less finance income.
Excludes amortisation of acquisition related intangibles.

10. KPI Definitions and Reconciliations (continued)

Cash Flow

Cash flow refers to net cash inflow/outflow from operating activities (as shown on the Group's consolidated statement of cash flows) and is used by Greencore to highlight the Group's net generation/consumption of cash through business operations.

Return on Invested Capital (ROIC)

The Group seeks to manage its capital to ensure that entities in the Group will be able to trade on a going concern basis, while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group utilises ROIC to measure how effectively it uses invested capital.

The following table sets forth the calculation of net Operating Profit after tax (NOPAT) and invested capital used in the calculation of ROIC for the financial years indicated in respect of the Group.

	2016 £m	2015 £m
Operating Profit	**102.0**	91.7
Share of profit of associates before tax	**0.9**	0.9
Taxation at the effective tax rate≠	**(1.7)**	(0.9)
NOPAT	**101.2**	91.7
Invested capital		
Total assets	**1,255.9**	1,127.2
Total liabilities	**(970.3)**	(804.2)
Net Debt	**331.8**	265.5
Derivatives not designated as fair value hedges	**22.5**	16.8
Retirement benefit obligation (net of deferred tax asset)	**134.7**	89.4
Invested capital	**774.6**	694.7
Average invested capital for ROIC calculation	**734.7**	651.3≠≠
ROIC (%)	**13.8**	14.1

≠ The effective tax rates for the financial year ended 30 September 2016 (unaudited) and 25 September 2015, were 2% and 1% respectively.

≠≠ Opening capital for ROIC calculation for the financial year ended 25 September 2015 is £607.9m.

Adjusted EPS

The Group calculates Adjusted EPS by dividing Adjusted Earnings by the weighted average number of Ordinary Shares in issue during the year, excluding Ordinary Shares purchased by Greencore and held in trust in respect of the Deferred Award Scheme, the Performance Share Plan and the Executive Share Option Scheme. Adjusted Earnings is calculated as statutory profit attributable to equity holders (as shown on the Group's income statement) adjusted to exclude exceptional items (net of tax), the effect of foreign exchange (FX) on inter-company and 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 (net of tax) and the interest expense relating to defined benefit pension liabilities (net of tax). The following table sets forth a reconciliation of the Group's statutory profit attributable to equity holders of Greencore to its Adjusted Earnings for the financial years indicated.

	2016 £m	2015 £m
Statutory profit attributable to equity holders of Greencore	**47.4**	58.0
Exceptional items (net of tax)	**15.9**	3.4
FX effect on inter-company and external balances where hedge accounting is not applied	**7.1**	1.8
Movement in fair value of derivative financial instruments and related debt adjustments	**(0.6)**	(0.4)
Amortisation of acquisition related intangible assets (net of tax)	**6.5**	6.1
Pension financing (net of tax)	**3.4**	3.9
Adjusted Earnings	**79.7**	72.8

10. KPI Definitions and Reconciliations (continued)

	2016 '000	2015 '000
Weighted average number of ordinary shares in issue during the year	**409,256**	405,536

	Pence	Pence
Adjusted earnings per share	**19.5**	18.0

Adjusted PBT

The Group calculates Adjusted PBT as profit before taxation, excluding tax on share of profit associate and before, exceptional items, pension finance items, amortisation of acquisition related intangibles, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

The following table sets out the calculation of Adjusted PBT:

	2016 £m	2015 £m
Profit before taxation	**48.2**	59.4
Taxation on share of profit of associates	**0.2**	0.2
Exceptional items	**17.4**	3.4
Pension finance items	**4.4**	4.9
Amortisation of acquisition related intangibles	**9.2**	8.7
FX and fair value movements¥	**6.5**	1.4
Adjusted Profit Before Tax	**85.9**	78.0

¥ FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

11. Information

The annual report and accounts will be published on the Group's website on 5 December 2016.

By order of the Board, Conor O'Leary, Company Secretary on 13 November 2016.
Greencore Group plc, 2 Northwood Avenue, Santry, Dublin 9, Ireland.