GREENCORE GROUP PLC
INTERIM RESULTS
Strong volume growth in a transformational period

23 May 2017
Greencore Group plc ('Greencore' or the 'Group'), a leading manufacturer of convenience food in the UK and US, today issues its interim results for the 26 weeks ended 31 March 2017.

FINANCIAL HIGHLIGHTS[1]

- Group revenue of £1,010.3m, up 46.1%
- Two new reporting segments created to reflect substantially changed company structure:
    - Convenience Foods UK & Ireland: revenue of £685.7m, up 16.1% as reported and up 10.6% on a pro forma basis[2]
    - Convenience Foods US: revenue of £324.6m, up 220.8% as reported and up 2.5% on a pro forma basis[2]
- Group EBITDA[3] up 31.2% to £79.1m
- Group Operating Profit[3] up 27.1% to £55.3m
- Group Operating Margin[3] of 5.5%, down 80 bps as anticipated, due largely to the impact of significant commercial launches in the UK
- Adjusted Earnings[4] up 13.2% to £37.8m, driven by higher Operating Profit partially offset by increases in both the Group's financing charge and overall tax rate
- Adjusted EPS[4] down 6.0% to 6.3 pence, with adjusted earnings growth offset by an increased number of shares as a result of the rights issue relating to the acquisition of Peacock Foods
- Net debt increased to £556.6m, largely reflecting the acquisition of Peacock Foods with net debt:EBITDA leverage as measured under financing agreements of 2.7 times. Debt maturities extended (weighted average maturity of 4.9 years)
- Interim dividend of 2.10 pence per share, representing a pay-out of 39.2% of adjusted earnings

STRATEGIC DEVELOPMENTS

- Continued strong growth in Food to Go in the UK driven by our 'sole supply' customer partnership model, with revenue up 19.7% on a pro forma basis in the period
- Significant capacity additions and commercial launches with key customers in the UK
- Successfully mitigating the impact of inflation in raw materials, packaging and labour
- Completed the acquisition of Peacock Foods at the end of December 2016, transforming the Group's US business
- Strong volume growth of 9% in Peacock Foods on a pro forma basis in the period
- Good progress with the integration, customer launches and commercial pipeline development in the combined US business
- Organisation strengthened to reflect expanded portfolio

Commenting on the results, Patrick Coveney, Chief Executive Officer, said:
"This has been a transformational period for Greencore following the acquisition and integration of Peacock Foods in the US. Against a backdrop of considerable change across the Group, we are pleased to be reporting strong revenue and profit growth for the first half of the year. In the UK, we have delivered significant expansion and investment following recent new long-term business wins, as our Food to Go business continues to grow rapidly. In the US, the addition of Peacock Foods has transformed our market and channel position and has given us a growth platform of real scale. The enhanced capabilities, product offerings, and customer relationships that have been added to the Group in a short space of time, combined with the strength of our underlying business, mean that we are confident of making further progress in FY17 and beyond."

SUMMARY FINANCIAL PERFORMANCE

	H1 17 £m	H1 16 £m	Change (As reported)	Change (Pro forma basis[1])
Group revenue	1,010.3	691.6	+46.1%	+7.3%
Group EBITDA[3]	79.1	60.3	+31.2%	
Group Operating Profit[3]	55.3	43.5	+27.1%	
Group Operating Margin[3]	5.5%	6.3%	-80 bps	
Adjusted PBT[4]	44.7	36.5	+22.5%	
Adjusted Earnings[4]	37.8	33.4	+13.2%	
Adjusted EPS (pence)[4]	6.3	6.7	-6.0%	
Interim dividend per share (pence)[4]	2.10	2.10	-	
Net debt	556.6	316.0	+240.6m	
Convenience Foods UK & Ireland Division				
Revenue	685.7	590.4	+16.1%	+10.6%
Operating Profit[3]	46.8	46.7	-	
Operating Margin[3]	6.8%	7.9%	-110 bps	
Convenience Foods US Division				
Revenue	324.6	101.2	+220.8%	+2.5%
Operating Profit[3]	8.5	-3.2	n/a	
Operating Margin[3]	2.6%	-3.2%	+580 bps	

---

1 Pro forma revenue, EBITDA, Operating Profit, Operating Margin, Adjusted PBT and adjusted earnings measures are Alternative Performance Measures ('APMs') and are described in the Financial Review and reconciled to IFRS measures in Note 16.
2 Pro forma references throughout this statement adjust reported revenue to reflect ownership of both The Sandwich Factory and Peacock Foods for the full period of both H1 16 and H1 17. These figures are presented on a constant currency basis and are included to provide meaningful comparatives with the consolidated H1 17 Group numbers.
3 EBITDA, Operating Profit and Operating Margin are stated before exceptional items and acquisition related amortisation. These Key Performance Indicators are Alternative Performance Measures. These Alternative Performance Measures are reconciled to IFRS measures in Note 16.
4 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 16. Earnings per share and Dividend per share figures for FY16 have been restated to reflect the impact of the bonus element of the rights issue and are set out in Note 7 and Note 8.
5 Market / category growth rates are based on Nielsen or Kantar data for the 26 weeks to 25 March 2017 or 26 March 2017 respectively.

Presentation

A presentation of the results for analysts and institutional investors will take place at 8.30am today at Etc. Venues, 8 Fenchurch Place, London, EC3M 4PB.

This presentation can be accessed live through the following channels:

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

UK number:	+44(0)20 3427 1906
Ireland number:	+353(0)1 246 5602
US number:	+1212 444 0896
Pass code:	8664977

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:

UK number:	+44(0)20 3427 0598
Ireland number:	+353(0)1 486 0902
US number:	+1347 366 9565
Replay code:	8664977

Capital markets day

The Group is hosting a capital markets day in Chicago for institutional investors and analysts on 19 and 20 June 2017. Further details of the event are available upon request: investor.relations@greencore.com.

For further information, please contact:

Patrick Coveney	Chief Executive Officer	Tel: +353 (0) 1 605 1045
Eoin Tonge	Chief Financial Officer	Tel: +353 (0) 1 605 1029
Jack Gorman	Head of Investor Relations	Tel: +353 (0) 1 605 1020
Rob Greening or Nick Brown	Powerscourt	Tel: +44 (0) 20 7250 1446
Billy Murphy or Sarah O'Connor	Drury Porter Novelli	Tel: +353 (0) 1 260 5000

About Greencore

Greencore is a leading international producer of convenience foods with extensive operations in the UK and the US. Headquartered in Dublin, it employs 16,000 people in 30 manufacturing facilities across the UK and the US. On average, it manufactures around 1.5 billion sandwiches and 140 million ready meals every year.

In the UK, it has strong market positions across sandwiches and other food to go products as well as complementary positions in other convenience food categories, including chilled prepared meals, chilled soups and sauces, ambient sauces and pickles, cakes and desserts and Yorkshire Puddings. It is a supplier of own-label products to all of the major UK supermarkets, and has world-class manufacturing sites with industry-leading technology and supply chain capabilities.

Following its acquisition of Peacock Foods in December 2016, Greencore is now a leading manufacturer of consumer packaged goods for many of the largest food brands in the US. The Group also produces chilled and frozen food to go products for convenience retail and food service leaders in the US.

For more information go to www.greencore.com or follow Greencore on social media.

SUMMARY[1, 2, 3, 4]

A transformational period

This has been a period of real change for Greencore both in the US and the UK, with the Group taking a significant step forward in delivering against its vision of being a fast-growing, international convenience food leader.

The UK business has delivered strong growth in the period, and there has been a substantial investment in capacity in order to enable the Group's significant commercial agenda, particularly in its Food to Go business. The integration of the Atherstone facility (formerly The Sandwich Factory), acquired in July 2016, has also progressed well.

In December 2016, the Group completed the acquisition of Peacock Foods, which has transformed Greencore's market and channel position in the US and created a strong platform for long-term profitable growth. Peacock Foods is a fast-growing US convenience food manufacturing partner, serving large US consumer packaged goods ("CPG") customers. It has strong positions in frozen breakfast sandwiches, chilled meal kits and salad kits, generating revenue of approximately $1 billion and adjusted EBITDA of $72.1m in the year to September 2016. It has long-term contracts to supply some of the biggest food brands in the US, and has an attractive commercial model that includes co-investment with customers for capital expenditure on new projects. The acquisition was funded by a combination of new debt and a rights issue which significantly increased the issued share capital of the company.

The acquisition of Peacock Foods has delivered a step-change in our operating scale in the US, bringing strong market positions, enhanced capacity and capability, and greater geographic reach. The combined business has a well invested network of 14 manufacturing facilities, and a significantly strengthened leadership team. Although the integration process is at an early stage, the Group is encouraged by the performance, momentum and wider potential of the combined business and, in particular, by the emerging commercial pipeline.

Convenience Foods UK & Ireland

Convenience Foods UK & Ireland saw strong growth in the period, notwithstanding a challenging political, economic and customer backdrop. Reported revenue increased 16.1% (up 10.6% on a pro forma basis) in the period. This was driven by the continuing strength of the Food to Go business, both through robust category growth and several new business wins. In addition, there were a number of commercial launches in our Prepared Meals business. Delivering these wins and launches and the required network changes resulted in significant operational change and investment in the period. As a result of this, as well as challenging market conditions experienced in parts of our non-Food to Go businesses, Operating Profit was flat and Operating Margin declined by 110bps. Inflation in raw materials and packaging was approximately 2% and direct labour inflation was approximately 4% in the period, and the Group has been successful in offsetting these impacts.

Convenience Foods US

Convenience Foods US consolidated Peacock Foods from the end of December 2016, with the business performing in line with expectations. Volume growth in Peacock Foods, which is an important indicator of performance given the pass-through nature of the business, was approximately 9% on a pro forma basis in the period. After adjusting for the impact of deflation, pro forma revenue grew by 1.5%. The volume growth was driven by both underlying category market growth and new business wins. However, as in the UK, the operational adjustments caused by the launch of the important business wins impacted performance in the period. Revenue growth in the existing US business was 6.0% in the period on a pro forma constant currency basis.

Board appointments

During the period, Greencore further strengthened its Board through the appointment of two non-executive directors. Tom Sampson, who served as Chief Executive Officer of Peacock Foods from 2013 to 2016, joined the Board in February. Prior to joining Peacock Foods, Tom spent 28 years at Kraft Foods, including ten years as President of Kraft North American Food Service, a $2 billion division of Kraft. His extensive experience and knowledge of the wider US food industry will be invaluable as Greencore continues to expand in the region. This was followed in March by the appointment of Kevin O'Malley, who until January 2017 was the United States Ambassador to Ireland. Kevin brings with him a deep understanding of the US legal and business worlds, having previously spent 11 years as Partner of Greensfelder, Hemker, and Gale, addressing the legal needs of organisations across North America.

Financial and operating performance

In the first half of the year – which typically is seasonally less significant for Greencore – reported Group revenue increased by 46.1% to £1,010.3m. This was driven both by the impact of the acquisitions and by strong underlying growth, particularly in the UK. Group EBITDA increased by 31.2% to £79.1m while Operating Profit grew by 27.1% to £55.3m. Group Operating Margin decreased by 80 basis points as anticipated, due largely to the impact of phasing of significant commercial launches in the UK. Adjusted Earnings grew by 13.2% to £37.8m with growth in operating profit partially offset by an increased financing charge due to the increased debt from the Peacock Foods acquisition and a higher tax rate. Adjusted earnings per share were 6.0% lower at 6.3 pence, with the growth in Adjusted Earnings offset by the increased number of shares issued as part of the rights issue.

As expected, net debt increased to £556.6m as at 31 March 2017, an increase of £224.8m in the six months since the end of September 2016. This increase was driven by the impact of Peacock Foods and related exceptional flows and additional capital expenditure partly offset by an increase in underlying operating cashflow. Net debt to EBITDA, as at 31 March 2017 and as measured under our financing agreements, stood at 2.7 times.

Interim dividend

The Board of Directors is announcing an interim dividend of 2.10 pence per share, representing a pay-out amount of £14.8m or 39.2% of Adjusted Earnings. It remains the Board's intention to maintain a progressive dividend policy and in doing so maintain an annual dividend pay-out equivalent to 30-40% of adjusted earnings.

OUTLOOK

This is a transformational period for the Group. It is delivering an exciting programme of investment and change in order to integrate Peacock Foods in the US, as well as implementing new capacity additions to support significant business wins in the UK. The Group is pleased with the rate of progress on all fronts so far, and is expecting this to continue in the second half.

The second half of the year is more seasonally significant for Greencore, and Peacock Foods will have a full period of contribution. Volume growth remains strong in both the UK and the US. The remainder of the year will also benefit from the commercial activity delivered in the first half and the pipeline of commercial opportunities continues to be encouraging.

Whilst the Group expects an overall reduction in the level of business change in the second half, there remains further operational delivery to be completed in Northampton, Warrington and Carol Stream as well as challenging trading conditions in parts of our Grocery business. The Group expects inflation in raw materials, packaging and labour costs in the UK to increase for the remainder of the year, but these impacts are fully mitigated.

It should also be noted that Greencore now has increased exposure to GBP/USD foreign exchange translation movements as a result of the Peacock Foods acquisition. If the current rates are sustained, this will result in a modest adverse impact on translated US profits in the second half.

Overall, the Group remains confident in its ability to deliver performance in line with market expectations for FY17.

OPERATING REVIEW[1,2, 5]

New reporting structure

Following the acquisition of Peacock Foods in the US, which completed on 30 December 2016, Greencore has simplified its reporting structure. The Group will now have two separate reporting segments:

1. Convenience Foods UK & Ireland: incorporating Food to Go (i.e. sandwiches, sushi and salads), and other UK & Ireland businesses including Prepared Meals (i.e. ready meals, quiche, soups and sauces), the Grocery set of businesses (i.e. cooking sauces, Yorkshire Puddings, cakes and desserts) and the edible oils and molasses trading businesses (formerly known as the Ingredients & Property Division)

2. Convenience Foods US: incorporating Greencore's existing US business and the acquired Peacock Foods business (i.e. a wide range of fresh, frozen and ambient convenience food products – including sandwiches, meal kits and salads kits – and a customer base including CPG companies as well as convenience retail and food service leaders)

<u>**Convenience Foods UK & Ireland**</u>

Revenue and Operating Profit

	H1 17 £m	H1 16 £m	Change (As reported)	Change (Pro forma basis)
Revenue	685.7	590.4	+16.1%	+10.6%
Operating Profit	46.8	46.7	-	
Operating Margin	6.8%	7.9%	-110 bps	

Reported revenue in the Convenience Foods UK & Ireland division increased by 16.1% to £685.7m, notwithstanding a challenging political, economic, and customer backdrop. On a pro forma basis, revenue was 10.6% ahead. This was driven by continued strong growth in the Food to Go business. Operating Profit was broadly flat versus the prior year despite this strong revenue growth, impacted by operational change and investment related to the significant commercial launches and resulting network modifications in the period, as well as challenging market conditions in parts of the Group's non-Food to Go businesses.

Food to Go
Food to Go accounted for a little over 55% of Convenience Foods UK & Ireland revenue in the first half of the year. It comprises the sandwich, sushi and salads businesses, operating out of seven facilities in the UK (namely Manton Wood, Northampton, Park Royal, Bow, Atherstone, Crosby, and Spalding facilities), supported by a well-invested direct to store distribution network.

This business continues to deliver strong growth. Reported revenue grew by 30.1% and pro forma revenue grew by 19.7%, after taking into account the acquisition of the Atherstone facility (formerly The Sandwich Factory) in July 2016. The pro forma growth was driven by both underlying market growth of 7%, and the delivery of substantial new business wins with several of the Group's key customers.

There has been a large amount of organisational change and development required to support these business wins. The Group's London based facilities (Park Royal and Bow) went through major investment programmes to enable the launch of a substantial new contract with one of Greencore's key food to go customers in September 2016. This was one of the most significant launches Greencore has ever delivered and has performed well, albeit requiring significant operational adjustment throughout the period. In addition, the investment programme at our Northampton facility was completed and, towards the end of the period, the final elements of the business wins with its key customer were launched, including a brand new sushi range. All of these launches were delivered with high product quality and excellent service levels.

The integration of the Atherstone facility (formerly The Sandwich Factory), acquired in July 2016, has progressed well. It serves channels outside of the main grocery retail channel including travel, convenience store and coffee shops, and has also delivered notable new business wins in the period.

The distribution part of the business continues to grow, both in serving customers for Greencore's manufactured products and in the supply of third party products which showed strong growth in the period.

The wider food to go market continues to expand with strong market category growth of 7%, driven largely by volume. This continued growth is supported by favourable consumer trends, a focus on this category from the Group's customers and the ongoing roll-out of smaller store formats. Greencore continues to make further advancements in its long-term partnership model with key customers, and extended a number of its contracts during the period.

Other UK & Ireland businesses
The other parts of the Convenience Foods UK & Ireland division comprises the Prepared Meals business (operating out of five facilities in the UK, i.e. Warrington, Kiveton, Wisbech, Bristol and Consett), the Grocery set of businesses in the UK (i.e. the cooking sauces business in Selby, the Yorkshire Puddings business in Leeds, and the cakes & desserts businesses at Hull and Evercreech), and the edible oils and molasses trading businesses in Ireland (formerly known as the Ingredients & Property Division).

Revenue growth across these businesses was 2.5%, or 0.9% on a pro forma basis, after adjusting for currency for the Irish-based businesses. The Group has made significant investments in its Prepared Meals business, having agreed new contracts and relaunched ranges with some of its key customers. Although this part of the business continues to grow along with the wider ready meals market, the investments and operational change caused by the reset of our contracts and our network affected financial performance in the period. The Group completed its investment programme at its Wisbech ready meal facility in the period and work is well advanced on the refurbishment and extension of Warrington, its largest ready meal facility, which is scheduled to complete at the end of the calendar year.

The celebration cakes and desserts categories continue to both grow at approximately 3%. These businesses have faced challenging environments in the period due to some business churn and particularly high levels of inflation. On 22 May 2017 we announced the proposal to phase out manufacturing at our Evercreech facility in Somerset, following a thorough review of our desserts strategy at the site. If this proposal goes ahead, which requires consultation with employees, we will start working with our customer on a phased exit in the second half of 2018.

There have been some positive performances in the rest of this division, with particularly good progress made in the Group's cooking sauce business, driven by the ongoing focus on own label which is growing above the wider market, and a strong performance in the Group's Irish trading businesses due to buoyant dairy markets.

UK inflation
Inflation in raw materials and packaging in the UK was approximately 2% in the period. This was driven by the impact of a weaker sterling and specific moves in certain markets, such as dairy. The Group has been able to offset the impact of this inflation in the period and has been working closely with its customers to mitigate the impact going forward.

Labour inflation in the UK was, as expected, approximately 4% in the period, primarily due to the indirect effect of the National Living Wage on the Group's wage structure. The Group continues to recover this inflation through multiple cost and innovation initiatives across its operations.

Brexit
The Group continues to closely monitor the potential implications of Brexit on its business. Although the impacts are far from certain at this stage, it is worth noting that Greencore's business in the UK is 'local', i.e. made and sold in the UK, and therefore carries less trade risk. Critically, the Group is focusing on the stability of its workforce in order to ensure that it continues to meet the labour needs of a growing business.

Convenience Foods US

Revenue and Operating Profit

	H1 17 £m	H1 16 £m	Change (As reported)	Change (Pro forma basis)
Revenue	324.6	101.2	+220.8%	+2.5%
Operating Profit	8.5	-3.2	n/a	
Operating Margin	2.6%	-3.2%	+580 bps	

Reported revenue in the Convenience Foods US division increased by 220.8% to £324.6m, reflecting the acquisition of Peacock Foods at the end of December 2016. On a pro forma basis, revenue was 2.5% ahead, albeit significantly impacted by significant deflation of raw materials. Excluding this impact, Peacock Foods had strong volume growth of 9% on a pro forma basis in the period. Operating Profit increased by £11.7m to £8.5m.

The new combined business
The combined US business manufactures a wide range of fresh, frozen and ambient convenience food products. It operates as one integrated business and team out of 14 manufacturing facilities (six based in the Chicago (IL) area, and one in each of Anaheim (CA), Wilmington (OH), Quonset (RI), Fredericksburg (VA), Jacksonville (FL), Salt Lake City (UT), Minneapolis (MN), and Seattle (WA).

The results of Peacock Foods have been consolidated from the end of December 2016. This part of the US business is focused on the supply of convenience foods to major CPG customers, in categories such as frozen breakfast sandwiches, meal kits and salad kit components. It performed in line with the Group's expectations in the period.

The Peacock Foods business operates the majority of its revenue contracts on a pass-through basis where the business takes ownership of the materials but is entitled to pass on the price of materials directly to the customer as part of its finished goods. Accordingly, while reported revenue and cost of sales can be impacted by changes in material inflation or deflation, these changes do not impact profit delivery. Therefore, volume growth is a more important indicator of performance. On a pro forma basis (i.e. assuming the Group had owned Peacock Foods for the whole of H1 16 and H1 17), growth related to volume was approximately 9% in the period. In total revenue terms, it grew by 1.5%, reflecting the significant deflation of raw materials costs. The volume growth is underpinned by combined category market growth in the meal kit (up 3% in value terms, 7% in volume), frozen breakfast sandwich (down 1% in value terms, up 3% in volume) and salad kit (up 13% in value terms, 15% in volume) segments. The business also continues to benefit from business wins, although these have been offset by some business churn in the packaging solutions part of the business.

The significant expansion at the Carol Stream (IL) facility to enable the contract win in meal kits has progressed well, with the project completed and the first set of new lines installed, commissioned and beginning production in the period. In addition, further expansion has been delivered in the Romeoville (IL) facility to deliver business wins with new CPG customers. Financial performance was impacted by anticipated operational change associated with the ramp up of these contracts in the period.

The existing US business achieved revenue growth of 6.0% on a pro forma basis, after adjusting for currency. This was largely driven by the start-up of operations in Seattle (WA). Year on year, this part of the business delivered a good operational performance due to improvements at a number of facilities, including Quonset (RI), albeit financial performance was impacted by the start-up in Seattle. Capacity utilisation of certain existing facilities continues to be a focus for the combined business.

Labour inflation in the US was approximately 5% in the period across the combined business. This is being mitigated by various cost efficiency initiatives and pricing with our customers.

US integration
Although still at an early stage, the integration of the US business is progressing well and in line with the Group's plans. The new management team is in place and the broader organisation structure is being rolled out across the business. The consolidation of head offices has commenced and is expected to be completed in the second half of the year.

Progress on cost synergy delivery is on track. In addition, the combined commercial agenda is developing well and the Group is encouraged by the pipeline of opportunities with its key CPG customers as it shares the capabilities of the new enlarged network. These opportunities should start to be commercialised in the next financial year.

FINANCIAL REVIEW[1,2,3]

Revenue and Operating Profit

The Group completed the acquisition of Peacock Foods on 30 December 2016 and the results of Peacock Foods have been included in the Group results for the three-month period to 31 March 2017.

Group revenue in the period was £1,010.3m, an increase of 46.1% versus H1 16 reflecting the acquisition of Peacock Foods in December 2016. Revenue was up 7.3% on a constant pro forma basis and includes the impact of Peacock Foods and The Sandwich Factory for the full period of both H1 16 and H1 17. Group Operating Profit of £55.3m was 27.1% ahead of the prior year, driven by the impact of the Peacock Foods acquisition. Operating margin of 5.5% was down 80 bps as anticipated, due largely to the impact of phasing of significant commercial launches in the UK.

The average exchange rates for the period were £1 = \$1.2495 and €1.1610 (in H1 16 £1 = \$1.4878 and €1.3585). The acquisition of Peacock Foods means that the Group now generates a substantial proportion of its earnings in USD while reporting in GBP.

Acquisition related intangibles

The Group recognised an amortisation charge of £7.9m on acquisition related intangible assets, up from £4.5m in the prior year. The increase reflects the additional amortisation charge relating to intangible assets, primarily customer relationships, recognised on the acquisition of Peacock Foods in the period.

Interest payable

The Group's bank interest payable in H1 17 was £11.1m, an increase of £3.5m versus H1 16, driven by increased debt from the acquisition of Peacock Foods. The composition of the charge was £10.4m of interest payable, commitment fees for undrawn facilities of £0.3m, and an amortisation charge of £0.4m in respect of facility fees. £0.9m of interest on major projects was capitalised during the period (H1 16: £0.7m).

Non-cash finance charges/credit

The Group's net non-cash finance charge in H1 17 was £2.2m (£5.0m in H1 16). The non-cash pension financing charge of £2.0m was £0.2m lower than the charge in H1 16. The change in the fair value of derivatives and related debt adjustments was a non-cash charge of £0.1m (£2.9m charge in H1 16). The Group recognised a charge of £0.1m in respect of the unwinding of the discount on deferred consideration receivable (H1 16: £0.1m credit).

Taxation

The Group's effective tax rate in H1 17 (including the tax impact associated with pension finance items) was 8% (H1 16: 2%). Substantially all of the UK historic losses have now been recognised as a deferred tax asset in the balance sheet resulting in an increase in the effective tax rate. Peacock Foods benefits from historical tax losses which have been recognised on the balance sheet to the extent to which they are expected to be available to the Group for offset against taxable profits in the short term.

In the current year, we also present the effective tax rate applicable to adjusted earnings. When considering tax applicable to adjusted earnings, the tax effect of items adjusted to arrive at adjusted earnings is excluded from the total tax charge. These items attract different tax rates depending on the applicable tax rate in the relevant jurisdiction therefore the adjustment results in a different effective tax rate applicable to adjusted earnings. The effective tax rate applicable to adjusted earnings in H1 17 was 13% compared with 7% in H1 2016.

Cash tax continues to be low as the Group benefits from historical tax losses in both the UK and the US. The cash tax rate in the period was 0.0% (H1 16: 0.0%).

Exceptional items

As anticipated, the Group incurred a pre-tax exceptional charge of £22.9m in the period. This is comprised as follows:

- a charge of £15.1m in relation to the transaction costs and expenses associated with the acquisition of Peacock Foods;
- a charge of £5.3m relating to the integration costs associated with the acquisition of Peacock Foods in December 2016 and The Sandwich Factory in July 2016; and
- a £2.5m charge in relation to the pre-commissioning and start-up costs associated with the expansion of facilities and on-boarding of new business in the period.

Earnings per share
Adjusted earnings of £37.8m in the period were 13.2% ahead of the prior year. Adjusted earnings per share of 6.3 pence was 6.0% behind H1 16 which reflects the impact of an increased number of shares in issue as a result of the rights issue. The weighted average number of shares in issue in H1 17 was 603.4m and in H1 16 was 496.6m. The weighted average number of shares in issue in H1 16 has been restated for the impact of the bonus issue incorporated in the rights issue and accordingly adjusted earnings per share has been restated.

Capital, financing and cash flow
In December 2016, the Group raised £427.0m, net of associated fees, by way of a rights issue, by issuing 9 new shares for every 13 shares held. The net proceeds of the rights issue combined with a new 5 year $249m bank facility, were used to finance the acquisition of Peacock Foods as well as to pay transaction fees and expenses. Further details of this acquisition are set out in Note 10, Note 11, and Note 15 of this report.

In addition to the new debt financing for the Peacock acquisition the Group also extended the maturity of its primary committed bank facility of £300m for a further year to March 2022, and extended the maturity of a £50m bilateral bank facility for a further 18 months to March 2020. The Group remains well financed with committed facilities of £737m at the end of March 2017 and a weighted average maturity of 4.9 years.

The Group's net debt at 31 March 2017 was £556.6m, an increase of £224.8m from 30 September 2016 reflecting the impact of the new facility to part fund the Peacock Foods acquisition.

A net cash inflow from operating activities of £26.1m was recorded compared to an inflow of £27.9m in H1 16. The decrease reflects the cash impact of transaction costs paid in the period relating to the Peacock acquisition partly offset by the year on year growth in EBITDA. Capital expenditure of £60.3m was incurred in the period compared to £44.6m in H1 16. Interest costs of £10.5m were paid in the period with cash dividends to equity holders of £6.1m.

Pensions
The net pension deficit (before related deferred tax) at 31 March 2017 was £133.2m, £29.1m lower than the position at 30 September 2016. The net pension deficit after related deferred tax was £109.9m, a decrease of £24.8m from 30 September 2016. The decrease in net pension deficit was driven principally by an increase in discount rates applied to the scheme liabilities.

The fair value of total plan assets relating to the Group's defined benefit pension schemes decreased to £481.4m at 31 March 2017 from £497.8m at 30 September 2016. The present value of the total pension liabilities for these schemes decreased to £614.6m from £660.1m over the same period. Certain defined benefit schemes are in surplus on an IAS19R basis. As a consequence, an asset of £18.9m has been recognised in the balance sheet, £2.2m higher than the position at 30 September 2016.

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

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

Principal risks and uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remainder of the financial year and could cause actual results to differ materially from expected and historical results. The Board considers the risks and uncertainties described on pages 19 to 23 of the Annual Report and Accounts for the year ended 30 September 2016 issued on 5 December 2016 to remain applicable. These risks are as follows:

Strategic risks
- Competitor activity
- Growth

Commercial risks
- Changes in consumer behaviour and demand
- Key customer relationships and grocery industry structure
- Input cost inflation

Operational risks
- Food industry regulations
- Product contamination
- Health and Safety
- Disruption to day to day Group operations
- Recruitment and retention of key personnel
- IT systems and cyber risk

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

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

P.G. Kennedy, Chairman
22 May 2017

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

GROUP CONDENSED INCOME STATEMENT
for the half year ended 31 March 2017

		Half Year ended 31 March 2017 (Unaudited)			Half Year ended 25 March 2016 (Unaudited)		
	Notes	Pre – exceptional £m	Exceptional (Note 5) £m	Total £m	Pre – exceptional £m	Exceptional (Note 5) £m	Total £m
Revenue	3	**1,010.3**	-	**1,010.3**	691.6	-	691.6
Cost of sales		**(716.6)**	-	**(716.6)**	(475.2)	-	(475.2)
Gross profit		**293.7**	-	**293.7**	216.4	-	216.4
Operating costs, net		**(238.4)**	**(22.9)**	**(261.3)**	(172.9)	(6.0)	(178.9)
Group operating profit before acquisition related amortisation	3	**55.3**	**(22.9)**	**32.4**	43.5	(6.0)	37.5
Amortisation of acquisition related intangibles		**(7.9)**	-	**(7.9)**	(4.5)	-	(4.5)
Group operating profit	3	**47.4**	**(22.9)**	**24.5**	39.0	(6.0)	33.0
Finance income	11	**-**	-	**-**	0.1	-	0.1
Finance costs	11	**(13.3)**	-	**(13.3)**	(12.7)	-	(12.7)
Share of profit of associates after tax		**0.5**	-	**0.5**	0.4	-	0.4
Profit before taxation		**34.6**	**(22.9)**	**11.7**	26.8	(6.0)	20.8
Taxation	6	**(2.7)**	**2.4**	**(0.3)**	(0.6)	0.3	(0.3)
Profit for the financial period		**31.9**	**(20.5)**	**11.4**	26.2	(5.7)	20.5
Attributable to:							
Equity shareholders		**30.9**	**(20.5)**	**10.4**	25.6	(5.7)	19.9
Non-controlling interests		**1.0**	-	**1.0**	0.6	-	0.6
		31.9	**(20.5)**	**11.4**	26.2	(5.7)	20.5

Earnings per share (pence)			
Basic earnings per share	8	**1.7**	4.0*
Diluted basic earnings per share	8	**1.7**	4.0*

*As restated to reflect the bonus issue of shares incorporated in the rights issue in December 16

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

GROUP CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the half year ended 31 March 2017

	Half Year ended 31 March 2017 (Unaudited)	Half Year ended 25 March 2016 (Unaudited)
Items of income and expense taken directly to equity	**£m**	£m
Items that will not be reclassified to profit or loss:		
Actuarial gain/ (loss) on Group defined benefit pension schemes	**27.1**	(8.9)
Current tax on Group defined benefit pension schemes	**(4.1)**	0.5
	23.0	(8.4)
Items that may subsequently be reclassified to profit or loss:		
Currency translation adjustment	**0.7**	8.0
Current tax on currency translation adjustment	**(0.2)**	(0.2)
Hedge of net investment in foreign operations	**(1.7)**	(10.4)
Cash flow hedges:		
fair value movement taken to equity	**(0.6)**	1.1
transfer to Income Statement for the period	**1.4**	1.4
deferred tax on cash flow hedges	**-**	(0.1)
	(0.4)	(0.2)
Net income/(expense) recognised directly within equity	**22.6**	(8.6)
Group result for the financial period	**11.4**	20.5
Total recognised income and expense for the financial period	**34.0**	11.9
Attributable to:		
Equity shareholders	**33.1**	11.0
Non-controlling interests	**0.9**	0.9
Total recognised income and expense for the financial period	**34.0**	11.9

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

GROUP CONDENSED BALANCE SHEET
at 31 March 2017

	Notes	March 2017 (Unaudited) £m	September 2016 (Audited) £m
ASSETS			
Non-current assets			
Goodwill and intangible assets	9	**1,157.4**	552.4
Property, plant and equipment	9	**481.6**	367.4
Investment property	9	**5.6**	6.2
Investments in associates		**1.5**	1.0
Other receivables		**0.1**	2.5
Retirement benefit assets	14	**18.9**	16.7
Derivative financial instruments		**-**	0.2
Deferred tax assets		**93.4**	60.1
Total non-current assets		**1,758.5**	1,006.5
Current assets			
Inventories		**85.1**	65.7
Trade and other receivables		**252.2**	157.6
Derivative financial instruments	11	**0.7**	0.6
Cash and cash equivalents	11	**12.7**	25.5
Total current assets		**350.7**	249.4
Total assets		**2,109.2**	1,255.9
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	10	**7.0**	4.1
Share premium		**640.2**	198.9
Reserves		**76.5**	78.2
		723.7	281.2
Non-controlling interests		**5.3**	4.4
Total equity		**729.0**	285.6
LIABILITIES			
Non-current liabilities			
Borrowings	11	**556.4**	357.3
Derivative financial instruments	11	**23.4**	23.0
Retirement benefit obligations	14	**152.1**	179.0
Other payables		**1.3**	1.7
Provisions for liabilities	12	**35.7**	3.7
Deferred tax liabilities		**111.1**	9.3
Total non-current liabilities		**880.0**	574.0
Current liabilities			
Bank overdraft	11	**12.9**	-
Derivative financial instruments	11	**0.2**	0.3
Trade and other payables		**481.5**	376.2
Provisions for liabilities	12	**5.6**	6.3
Current tax payable		**-**	13.5
Total current liabilities		**500.2**	396.3
Total liabilities		**1,380.2**	970.3
Total equity and liabilities		**2,109.2**	1,255.9

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

GROUP CONDENSED CASH FLOW STATEMENT
for the half year ended 31 March 2017

	Half Year ended 31 March 2017 (Unaudited) £m	Half Year ended 25 March 2016 (Unaudited) £m
Profit before taxation	**11.7**	20.8
Finance income	**-**	(0.1)
Finance costs	**13.3**	12.7
Share of profit of associates after tax	**(0.5)**	(0.4)
Exceptional items	**22.9**	6.0
Operating profit (pre-exceptional)	**47.4**	39.0
Depreciation	**21.5**	15.2
Amortisation of intangible assets	**10.2**	6.1
Employee share-based payment expense	**2.1**	2.6
Contributions to defined benefit pension schemes	**(4.7)**	(6.9)
Working capital movement	**(20.2)**	(17.1)
Other movements	**(0.1)**	0.7
Net cash inflow from operating activities before exceptional items	**56.2**	39.6
Cash outflow related to exceptional items	**(19.5)**	(3.8)
Interest paid	**(10.5)**	(7.8)
Tax paid	**(0.1)**	(0.1)
Net cash inflow from operating activities	**26.1**	27.9
Cash flow from investing activities		
Purchase of property, plant and equipment	**(49.4)**	(39.9)
Purchase of intangible assets	**(10.9)**	(4.7)
Acquisition of undertakings (net of cash)	**(604.6)**	(0.8)
Disposal of undertakings	**2.5**	0.5
Net cash outflow from investing activities	**(662.4)**	(44.9)
Cash flow from financing activities		
Proceeds from issue of shares (net of fees)	**427.0**	0.4
Ordinary shares purchased – own shares	**(7.2)**	(13.6)
Drawdown of bank borrowings	**197.7**	87.4
Repayment of private placement notes	**-**	(59.7)
Increase in finance lease liabilities	**(0.2)**	(0.1)
Dividends paid to equity holders of the Company	**(6.1)**	(8.7)
Net cash inflow from financing activities	**611.2**	5.7
Net decrease in cash and cash equivalents	**(25.1)**	(11.3)
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of period	**25.5**	6.3
Translation adjustment	**(0.6)**	0.7
Decrease in cash and cash equivalents	**(25.1)**	(11.3)
Cash and cash equivalents at end of period	**(0.2)**	(4.3)

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 March 2017

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
At 30 September 2016	**4.1**	**198.9**	**110.5**	**(32.3)**	**281.2**	**4.4**	**285.6**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**0.8**	**-**	**0.8**	**(0.1)**	**0.7**
Current tax on currency translation adjustment	**-**	**-**	**-**	**(0.2)**	**(0.2)**	**-**	**(0.2)**
Net investment hedge	**-**	**-**	**(1.7)**	**-**	**(1.7)**	**-**	**(1.7)**
Actuarial gain on Group defined benefit pension schemes	**-**	**-**	**-**	**27.1**	**27.1**	**-**	**27.1**
Deferred tax on Group defined benefit pension schemes	**-**	**-**	**-**	**(4.1)**	**(4.1)**	**-**	**(4.1)**
Cash flow hedges taken to equity	**-**	**-**	**(0.6)**	**-**	**(0.6)**	**-**	**(0.6)**
Cash flow hedges transferred to Income Statement	**-**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**
Profit for the financial period	**-**	**-**	**-**	**10.4**	**10.4**	**1.0**	**11.4**
Total recognised income and expense for the financial period	**-**	**-**	**(0.1)**	**33.2**	**33.1**	**0.9**	**34.0**
Employee share-based payment expense	**-**	**-**	**2.1**	**-**	**2.1**	**-**	**2.1**
Deferred tax on share-based payments	**-**	**-**		**(0.1)**	**(0.1)**	**-**	**(0.1)**
Exercise, lapse or forfeit of share-based payments	**-**	**0.2**	**5.3**	**(5.3)**	**0.2**	**-**	**0.2**
Shares acquired by Employee Benefit Trust	**-**	**-**	**(7.2)**	**-**	**(7.2)**	**-**	**(7.2)**
Issue of shares – Rights Issue	**2.9**	**436.7**	**-**	**-**	**439.6**	**-**	**439.6**
Cost associated with the issue of shares	**-**	**-**	**-**	**(12.6)**	**(12.6)**	**-**	**(12.6)**
Dividends	**-**	**4.4**	**-**	**(17.0)**	**(12.6)**	**-**	**(12.6)**
At 31 March 2017	**7.0**	**640.2**	**110.6**	**(34.1)**	**723.7**	**5.3**	**729.0**
At 25 September 2015	4.1	191.6	112.7	11.2	319.6	3.4	323.0
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	7.7	-	7.7	0.3	8.0
Current tax on currency translation adjustment	-	-	-	(0.2)	(0.2)	-	(0.2)
Net investment hedge	-	-	(10.4)	-	(10.4)	-	(10.4)
Actuarial loss on Group defined benefit pension schemes	-	-	-	(8.9)	(8.9)	-	(8.9)
Deferred tax on Group defined benefit pension schemes	-	-	-	0.5	0.5	-	0.5
Cash flow hedges taken to equity	-	-	1.1	-	1.1	-	1.1
Cash flow hedges transferred to Income Statement	-	-	1.4	-	1.4	-	1.4
Deferred tax on cash flow hedges	-	-	(0.1)	-	(0.1)	-	(0.1)
Profit for the financial period	-	-	-	19.9	19.9	0.6	20.5
Total recognised income and expense for the financial period	**-**	**-**	(0.3)	11.3	11.0	0.9	11.9
Employee share-based payment expense	**-**	**-**	2.6	-	2.6	-	2.6
Deferred tax on share-based payments	-	-	-	0.3	0.3	-	0.3
Exercise, lapse or forfeit of share-based payments	-	0.4	(3.8)	3.8	0.4	-	0.4
Shares acquired by Employee Benefit Trust	-	-	(13.7)	0.1	(13.6)	-	(13.6)
Share granted to Employee Benefit Trust beneficiaries	-	-	14.8	(14.8)	-	-	-
Dividends	-	1.0	-	(15.4)	(14.4)	-	(14.4)
At 25 March 2016	4.1	193.0	112.3	(3.5)	305.9	4.3	310.2

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 31 March 2017

Other Reserves

	Share options £m	Own shares £m	Capital redemption reserve £m	Capital conversion reserve fund £m	Hedging reserve £m	Foreign currency translation reserve £m	Total £m
At 30 September 2016	**7.6**	**(7.5)**	**117.0**	**0.8**	**(14.8)**	**7.4**	**110.5**
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	-	-	-	**0.8**	**0.8**
Net investment hedge	-	-	-	-	-	**(1.7)**	**(1.7)**
Cash flow hedge taken to equity	-	-	-	-	**(0.6)**	-	**(0.6)**
Cash flow hedges transferred to Income Statement	-	-	-	-	**1.4**	-	**1.4**
Total recognised income and expense for the financial period	-	-	-	-	**0.8**	**(0.9)**	**(0.1)**
Employee share-based payment expense	**2.1**	-	-	-	-	-	**2.1**
Exercise, lapse or forfeit of share-based payments	-	**5.3**	-	-	-	-	**5.3**
Shares acquired by Employee Benefit Trust	-	**(7.2)**	-	-	-	-	**(7.2)**
At 31 March 2017	**9.7**	**(9.4)**	**117.0**	**0.8**	**(14.0)**	**6.5**	**110.6**

	Share options £m	Own shares £m	Capital redemption reserve £m	Capital conversion reserve fund £m	Hedging reserve £m	Foreign currency translation reserve £m	Total £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	-	-	-	-	-	7.7	7.7
Net investment hedge	-	-	-	-	-	(10.4)	(10.4)
Cash flow hedges taken to equity	-	-	-	-	1.1	-	1.1
Cash flow hedges transferred to Income Statement	-	-	-	-	1.4	-	1.4
Deferred tax on cash flow hedges	-	-	-	-	(0.1)	-	(0.1)
Total recognised income and expense for the financial period	-	-	-	-	2.4	(2.7)	(0.3)
Employee share-based payment expense	2.6	-	-	-	-	-	2.6
Exercise, lapse or forfeit of share-based payments	(3.8)	-	-	-	-	-	(3.8)
Shares acquired by Employee Benefit Trust	-	(13.7)	-	-	-	-	(13.7)
Shares granted to Employee Benefit Trust beneficiaries	-	14.8	-	-	-	-	14.8
At 25 March 2016	7.5	(7.4)	117.0	0.8	(8.6)	3.0	112.3

1. Basis of Preparation

The Group Condensed Financial Statements of Greencore Group Plc (the 'Group'), which are presented in sterling and expressed in millions, have been prepared as at, and for the 26 week period ended, 31 March 2017, and have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Central Bank of Ireland and IAS 34 Interim Financial Reporting as adopted by the European Union.

Certain prior year disclosures have been amended to conform to the current year presentation.

These Condensed Financial Statements do not comprise statutory accounts within the meaning of Section 304 of the Companies Act 2014. The Group condensed financial information for the year ended 30 September 2016 represents an abbreviated version of the Group Financial Statements for that year. Those financial statements, upon which the auditor issued an unqualified audit report, have been filed with the Registrar of Companies.

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

2. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Group Condensed Financial Statements are consistent with those applied in the Annual Report for the financial year ended 30 September 2016 and are as set out in those financial statements.

The adoption of the remaining new standards and interpretations, as set out in the 2016 Annual Report, that became effective for the Group's financial statements for the year ended 29 September 2017 did not have any significant impact on the Group Condensed Financial Statements.

Following the significant acquisition of Peacock Foods on 30 December 2016, the Group has reviewed its reporting structure to ensure that it continues to reflect the Group's organisational structure and the nature of the financial information reported to and assessed by the Chief Operation Decision Maker (as defined by IFRS 8 Operating Segments).

As a result, the Group has revised its operating segments and comparative segment amounts for 2016 have been restated where necessary to reflect the new format for segmentation.

The Group now reports across the following operating segments:

Convenience Foods UK & Ireland: incorporating Food to Go (i.e. sandwiches, sushi and salads), and other UK & Ireland businesses including Prepared Meals (i.e. ready meals, quiche, soups and sauces), the Grocery set of businesses (i.e. cooking sauces, Yorkshire Puddings, cakes and desserts) and the edible oils and molasses trading businesses (formerly known as the Ingredients & Property Division).

Convenience Foods US: incorporating Greencore's existing US business and the acquired Peacock Foods business (i.e. a wide range of fresh, frozen and ambient convenience food products – including sandwiches, meal kits and salads kits – and a customer base including CPG companies as well as convenience retail and food service leaders).

3. Segment Information

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

3. Segment Information *(continued)*

	Convenience Foods UK & Ireland		Convenience Foods US		Total	
	Half Year 2017 £m	Half Year* 2016 £m	**Half Year 2017 £m**	Half Year* 2016 £m	**Half Year 2017 £m**	Half Year 2016 £m
Revenue	**685.7**	590.4	**324.6**	101.2	**1,010.3**	691.6
Group Operating Profit before exceptional items and acquisition related amortisation	**46.8**	46.7	**8.5**	(3.2)	**55.3**	43.5
Amortisation of acquisition related intangible assets					**(7.9)**	(4.5)
Group operating profit before exceptional items					**47.4**	39.0
Exceptional items					**(22.9)**	(6.0)
Group operating profit					**24.5**	33.0
Finance income					**-**	0.1
Finance costs					**(13.3)**	(12.7)
Share of profit of associates after tax					**0.5**	0.4
Profit before taxation					**11.7**	20.8

*Restated to reflect the realignment of operating segments

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 2017 £m	Half Year 2016 £m
Transaction costs	(a)	**(15.1)**	-
Integration costs	(b)	**(5.3)**	-
Pre-commissioning and start up	(c)	**(2.5)**	-
Restructuring charge	(d)	**-**	(2.0)
Remediation costs	(e)	**-**	(4.0)
		(22.9)	(6.0)
Tax on exceptional items	(f)	**2.4**	0.3
Total exceptional charge		**(20.5)**	(5.7)

(a) Transaction costs
The Group incurred a £15.1m charge relating to transaction costs and expenses associated with the Peacock Foods acquisition in December 2016.

(b) Integration costs
During the period, the Group incurred a charge of £5.3m relating to the integration of the acquisitions of Peacock Foods and The Sandwich Factory.

(c) Pre-commissioning and start up
The Group recognised a £2.5m charge in the period in relation to the pre-commissioning and start-up costs relating to the expansion of facilities and onboarding of new business.

(d) Restructuring charge
During the prior period, the Group incurred a £2.0m charge in relation to the completion of the exits from its facilities in Newburyport and Brockton, Massachusetts, pre-commissioning costs at the new facilities in Northampton and Seattle, and the restructuring of its UK operations as a result of new business wins.

5. Exceptional items (continued)

(e) Remediation costs
During the prior period, the Group recognised a charge of £4.0m relating to its former sugar processing sites as the process of remediation has taken longer and is more complex than had previously been anticipated and this has led to greater costs being incurred in meeting the requirements of the Environmental Protection Agency.

(f) Tax on exceptional items
During the period, a tax credit of £2.4m was recognised in respect of exceptional charges.

6. Taxation

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

7. Dividends Paid and Proposed

A dividend of 3.75* pence per share was approved at the Annual General Meeting on 31 January 2017 as a final dividend in respect of the year ended 30 September 2016 and a dividend of £10.4m was paid on 4 April 2017 to those shareholders that did not avail of the Group scrip dividend scheme.

An interim dividend of 2.10 pence (2016: 2.10* pence) per share is payable on 3 October 2017 to the shareholders on the Register of Members as of 2 June 2017. The ordinary shares will be quoted ex-dividend from 1 June 2017. The dividend will be subject to dividend withholding tax, although certain classes of shareholders may qualify for exemption. This represents a total dividend pay-out amounting to £14.8m.

The liability in respect of this interim dividend is not recognised in the Balance Sheet of the Group as at 31 March 2017 because the interim dividend had not been approved at the Balance Sheet date (but was subsequently declared by the Directors of the Company).

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

8. Earnings per Ordinary Share

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

	Half Year 2017 £m	Half Year 2016 £m
Profit attributable to equity holders of the Company	**10.4**	19.9
Exceptional items (post tax)	**20.5**	5.7
Fair value of derivative financial instruments and related debt adjustments	**(0.1)**	(0.3)
FX on inter-company and external balances where hedge accounting is not applied	**0.2**	3.2
Amortisation of acquisition related intangible assets	**7.9**	4.5
Pension financing	**2.0**	2.2
Tax effect of pension financing and amortisation of acquisition related intangibles	**(3.1)**	(1.8)
Numerator for adjusted earnings per share calculation	**37.8**	33.4

8. Earnings per Ordinary Share (continued)

Denominator for earnings per share and adjusted earnings per share calculation

	Half Year 2017 '000	Half Year 2016* '000
Shares in issue at the beginning of the period	**413,468**	410,300
Shares held by Employee Benefit Trust	**(2,975)**	(2,821)
Effect of shares issued in period	**149,741**	723
Effect of bonus issue related to Rights Issue	**43,168**	88,394
Weighted average number of ordinary shares in issue during the period	**603,402**	496,596

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

	Half Year 2017 pence	Half Year 2016* pence
Basic earnings per ordinary share	**1.7**	4.0
Adjusted basic earnings per ordinary share	**6.3**	6.7

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

Diluted Earnings per Ordinary Share

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Employee share benefits which are performance based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable ordinary shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability have not been satisfied as at the end of the reporting period. A total of 6,134,981 (2016: 4,571,334) 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 calculation

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

	Half Year 2017 '000	Half Year 2016* '000
Weighted average number of ordinary shares in issue during the period	**603,402**	496,596
Dilutive effect of share options	**2,976**	6,635
Weighted average number of ordinary shares for diluted earnings per share	**606,378**	503,231

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

	Half Year 2017 pence	Half Year 2016* pence
Diluted basic earnings per ordinary share	**1.7**	4.0
Adjusted diluted basic earnings per ordinary share	**6.2**	6.6

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

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

During the six month period to 31 March 2017, the Group made approximately £64.4m (2016: £43.0m) of additions to property, plant and equipment, investment property and intangible assets through ongoing capital expenditure and recognised a further £686.8m of assets following on from the acquisition of Peacock Foods see further details at Note 15. The Group disposed of certain assets with a carrying amount of £0.1m (2016: £1.2m), for proceeds of £0.0m (2016: £0.8m).

At 31 March 2017, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £20.3m (2016: £10.5m).

10. Equity Share Capital

Issued capital as at 31 March 2017 amounted to £7.0m (30 September 2016: £4.1m). In December 2016, 287,214,963 shares of £0.01 were issued by way of a 9 for 13 Rights Issue for cash at £1.53 each. In addition, in the six month period to 31 March 2017 1,322,236 shares (2016: 318,763) were issued in respect of the scrip dividend scheme and 180,005 shares (2016: 550,466) were issued in respect of the Group's ShareSave schemes.

Pursuant to the Deferred Bonus Plan, the Performance Share Plan and the Executive Share Option Plan, 1,762,690 shares were purchased by the Trustees of the Plan during the period ended 31 March 2017 (2016: 4,009,176). In December 2016, the Trust took up its full allocation of shares in the Rights Issue of 1,469,042 shares for a nominal value of £0.1m. In addition, the Trustees utilised dividend income of £0.04m (2016: £0.06m) to acquire 14,834 (2016:15,901) shares in Greencore with a nominal value of £0.0004m. In the period 2,098,107 (2016: 4,478,320) shares with a nominal value of £0.02m (2016: £0.04m) were transferred to beneficiaries of the Deferred Bonus Plan.

During the period, 599,359 (2016: 447,853) shares, with a fair value of £2.43 per share (2016: £3.18 per share) were awarded under the Deferred Bonus Plan and 2,778,609 (2016: 1,499,538) conditional share awards, with a fair value of £2.44 per share (2016: £3.19 per share), were granted under the Performance Share Plan.

11. Components of Net Debt and Financing

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

Net finance costs	**Half Year 2017 £m**	Half Year 2016 £m
Net finance costs on interest bearing cash and cash equivalents, borrowings and other financing costs	**(11.0)**	(7.5)
Pension financing	**(2.0)**	(2.2)
Interest on obligations under finance leases	**(0.1)**	(0.1)
Change in Fair value of derivative financial instruments and related debt adjustments	**0.1**	0.3
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(0.2)**	(3.2)
Unwind of present value discount on non-current payables and receivables	**(0.1)**	0.1
	(13.3)	(12.6)
Analysed as:		
Finance income	**-**	0.1
Finance costs	**(13.3)**	(12.7)
	(13.3)	(12.6)

Net debt	**March 2017 £m**	March 2016 £m	September 2016 £m
Cash and cash equivalents (net of bank overdraft)	**(0.2)**	(4.3)	25.5
Bank borrowings	**(366.1)**	(209.7)	(170.6)
Private placement notes	**(128.9)**	(45.8)	(125.2)
Non-bank borrowings	**(59.3)**	(55.2)	(60.5)
Finance leases	**(2.1)**	(1.0)	(1.0)
Group net debt	**(556.6)**	(316.0)	(331.8)

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, between one day and one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At the half year 31 March 2017, £8.2m of cash and cash equivalents held in Group accounts was deemed to be short-term restricted cash.

11. Components of Net Debt and Financing *(continued)*

Fair value hierarchy – IFRS 13 (level 2 inputs)*	March 2017 Level 2* £m	March 2016 Level 2* £m	September 2016 Level 2* £m
Assets carried at fair value			
Forward foreign exchange contracts – not designated as hedges	**0.7**	0.1	0.8
	0.7	0.1	0.8
Liabilities carried at fair value			
Cross-currency interest rate swaps – cash flow hedges	**(20.1)**	(16.8)	(18.0)
Interest rate swaps – cash flow hedges	**(2.6)**	(2.3)	(4.1)
Interest rate swaps – not designated as hedges	**(0.7)**	(0.8)	(1.2)
Forward foreign exchange contracts – not designated as hedges	**(0.2)**	-	-
	(23.6)	(19.9)	(23.3)

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

	March 2017		September 2016	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Bank borrowings	**(366.1)**	**(371.0)**	(170.6)	(173.2)
Private placement notes	**(128.9)**	**(137.8)**	(125.2)	(139.5)
Non-bank borrowings	**(59.3)**	**(62.6)**	(60.5)	(65.4)
Finance leases	**(2.1)**	**(2.7)**	(1.0)	(1.6)

During the period, the Group put in place a new $249m bank facility to part fund the acquisition of Peacock Foods which completed on 30 December 2016. In March 2017, the maturity of the primary bank facility of £300m was extended by one year to March 2022 and in addition, the £50m bank bilateral facility was extended by 18 months to March 2020.

During the prior period, the Group repaid $100m in US private placement notes that matured at the end of October 2015. These were subsequently replaced by the issuance of Private Placement notes of $74.5m and £18m in June 2016.

* For definition of level 2 inputs please refer to the 2016 Annual Report.

12. Provisions for Liabilities

	Half Year 2017 £m
At beginning of period	**10.0**
Utilised in period	**(4.7)**
Recognised on acquisition	**36.0**
Provided in period	**-**
At end of period	**41.3**

Analysed as:	March 2017 £m	September 2016 £m
Non - current liabilities	**35.7**	3.7
Current liabilities	**5.6**	6.3
	41.3	10.0

The estimation of provisions is a key judgment in the preparation of the financial statements. During the period the Group recognised provisions on acquisition of £36.3m, of which £28.3m related to leases.

13. Contingencies

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

The Company and certain subsidiaries have given guarantees in respect of borrowings and other obligations arising in the ordinary course of the business of the Company and other Group undertakings. The Company and other Group undertakings consider these guarantees to be insurance contracts and account for them as such. The Company treats these guarantee contracts as contingent liabilities until such time as it becomes probable that a payment will be required under such guarantees.

The Group has provided bank guarantees to third parties for an amount of £8.7m (2016: £3.7m) in respect of certain obligations.

14. Retirement Benefit Schemes

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

The principal actuarial assumptions are as follows:

	March 2017		September 2016	
	Ireland	**UK**	Ireland	UK
Rate of increase in pension payments*	**0.00%**	**3.05%**	0%	2.95%
Discount rate	**1.60%**	**2.65%**	1.10%	2.35%
Inflation rate	**1.50%**	**3.15%**	1.20%	3.00%

The financial position of the schemes was as follows:

	March 2017			September 2016		
	Irish Schemes £m	**UK Schemes £m**	**Total £m**	Irish Schemes £m	UK Schemes £m	Total £m
Total market value of scheme assets	**263.1**	**218.3**	**481.4**	286.5	211.3	497.8
Present value of scheme liabilities	**(249.4)**	**(365.2)**	**(614.6)**	(276.3)	(383.8)	(660.1)
Surplus/(deficit) in schemes	**13.7**	**(146.9)**	**(133.2)**	10.2	(172.5)	(162.3)
Deferred tax asset	**(1.4)**	**24.7**	**23.3**	(1.4)	29.0	27.6
Net asset/(liability) at end of the period	**12.3**	**(122.2)**	**(109.9)**	8.8	(143.5)	(134.7)
Presented as:						
Retirement benefit asset**			**18.9**			16.7
Retirement benefit obligation			**(152.1)**			(179.0)

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

** 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.

14. Retirement Benefit Schemes *(continued)*

Sensitivity of Pension Liability to Judgemental Assumptions

		Increase in Scheme Liabilities		
Assumption	**Change in assumption**	**Irish Schemes £m**	**UK Schemes £m**	**Total £m**
Discount rate	Decrease by 0.5%	19.5	34.3	53.8
Rate of inflation	Increase by 0.5%	7.2	23.4	30.6
Rate of mortality	Members assumed to live 1 year longer	8.4	14.6	23.0

Sensitivity of Pension Scheme Assets to Yield Movements

		Increase in Assets		
Assumption	**Change in assumption**	**Irish Schemes £m**	**UK Schemes £m**	**Total £m**
Change in bond yields	Decrease by 0.5%	16.7	9.3	26.0

Greencore UK Defined Benefit Scheme

In 2013, the Group entered into arrangements with the Greencore UK Retirement Defined Benefit Scheme ('the UK Scheme') to address £40.0m of the actuarial deficit in the UK Scheme. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest actuarial valuation, whilst improving the security of the UK Scheme members' benefits.

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 31 March 2017, SLP held properties with a carrying value of £17.7m, trade receivables with a carrying value of £27.8m, and a call on restricted cash of £8.2m in the Group Financial Statements. The properties are leased to other Group undertakings. As a partner in the 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.

15. Acquisition of undertakings

On 30 December 2016, the Group acquired 100% of CB-Peacock Holdings Inc. ('Peacock Foods'), a US based convenience food manufacturer. Peacock Foods is headquartered in Geneva, Illinois and operates seven manufacturing facilities across the US which offer two million square feet of manufacturing capacity and employs approximately 1,150 staff at these facilities. The acquisition transforms the Group's US business and provides further opportunities for growth by significantly increasing the Group's scale, exposure to leading brands in fast growing categories, extending our presence in new channels and with new customers, building our manufacturing foot print, widening our geographical reach, enhancing our management talent and growing our potential for future profitability.

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

	£m
Assets	
Property, plant and equipment	81.4
Intangibles	261.5
Inventory	25.2
Deferred tax assets	2.2
Trade and other receivables	45.3
Total assets	415.6
Liabilities	
Provisions	(36.3)
Deferred tax liabilities	(67.2)
Trade and other payables	(51.3)
Total liabilities	(154.8)
Net assets acquired	260.8
Goodwill	343.9
Total enterprise value	604.7
Satisfied by:	
Cash payments	607.0
Cash and cash equivalents acquired	(6.8)
Working capital payment on completion	4.5
Net cash outflow	604.7

The principal factors contributing to the recognition of goodwill on the acquisition of Peacock Foods is the expected realisation of future growth potential with customers in fast growing categories, the synergies that will be achieved by the enlarged group, expansion in the US market and a highly skilled management team. The goodwill is not deductible for tax purposes.

As part of the acquisition, the Group acquired trade receivables with a fair value of £42.3m. Management estimate that acquired receivables will be collected in full.

The post-acquisition impact of the Peacock Foods acquisition on the Group was to increase Group revenue by £197.0m and Group net profit for the half year by £2.5m. If the acquisition had occurred at the beginning of the Group's financial year, Group revenue would have been £1,180.7m and Group net profit for the half year would have been £13.5m.

16. Alternative performance measures

The Group uses the following alternative performance measures ('APMs') which are non-IFRS measures to monitor the performance of its operations: Pro Forma Sales Growth, Operating Margin, Adjusted Basic Earnings per Share and Adjusted PBT.

The Group believes that these APMs provide useful historical financial information to help investors evaluate the performance of the underlying business and are measures commonly used by certain investors and securities analysts for evaluating the performance of the Group. In addition, the Group uses certain APMs which reflect underlying performance on the basis that this provides a more relevant focus on the core business performance of the Group.

Summarised below are the Group's APMs results for the periods presented:

	Half year 2017	Half year 2016
Pro forma Sales Growth	**7.3%**	not presented
Operating Margin	**5.5%**	6.3%
Adjusted Basic EPS (£ pence)	**6.3**	6.7*
Adjusted PBT (£ millions)	**44.7**	36.5

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

Pro forma Sales Growth
Pro Forma references throughout this statement adjust reported revenue to reflect ownership of both The Sandwich Factory and Peacock Foods for full period of both H1 16 and H1 17. These figures are presented on a constant currency basis and are included to provide meaningful comparatives with the consolidated first half 2017 Group numbers and are reconciled to IFRS measures below.

	Half year 2017 £m	Half year 2016 £m	%
Reported revenue	**1,010.3**	**691.6**	**46.1**
Impact of acquisitions	207.3	359.8	-
Impact of currency	(89.9)	-	-
Pro forma revenue	**1,127.7**	**1,051.4**	**7.3**

Operating Profit, Operating Margin and Adjusted Earnings
The Group calculates Operating Margin as Operating Profit before amortisation of acquisition related intangibles and exceptional charges divided by reported revenue. Operating Margin is used by Greencore to measure underlying operating performance.

The following table sets forth a reconciliation from the Groups Profit for the financial year to Operating Profit and Adjusted EBITDA, as well as a calculation of Operating Margin, for the financial years indicated.

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017
NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

16. Alternative performance measures (continued)

	Half year 2017 £m	Half year 2016 £m
Profit for the financial period	**11.4**	20.5
Taxation(A)	**0.3**	0.3
Net finance costs(B)	**13.3**	12.6
Share of profit of associates after tax	**(0.5)**	(0.4)
Exceptional items	**22.9**	6.0
Amortisation of acquisition related intangibles	**7.9**	4.5
Operating Profit	**55.3**	43.5
Depreciation and amortisation(C)	**23.8**	16.8
Adjusted EBITDA	**79.1**	60.3
Operating Margin (%)	**5.5**	6.3

(A) Includes tax on exceptional items of £2.4 million (2015: £0.3m).
(B) Finance costs less finance income.
(C) Excludes amortisation of acquisition related intangibles.

Adjusted basic earnings per share ('EPS')
The Group calculates Adjusted Basic 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 Bonus Award scheme, the Performance Share Plan and the Executive Share Option Scheme. Adjusted Earnings is calculated as 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 Profit attributable to equity holders of Greencore to its Adjusted Earnings for the financial years indicated.

	Half year 2017 £m	Half year 2016 £m
Profit attributable to equity holders of Greencore	**10.4**	19.9
Exceptional items (net of tax)	**20.5**	5.7
FX effect on intercompany and external balances where hedge accounting is not applied	**0.2**	3.2
Movement in fair value of derivative financial instruments and related debt adjustments	**(0.1)**	(0.3)
Amortisation of acquisition related assets	**7.9**	4.5
Pension financing	**2.0**	2.2
Tax effect of pension financing and amortisation of acquisition related intangibles	**(3.1)**	(1.8)
Adjusted Earnings	**37.8**	33.4

16. Alternative performance measures (continued)

	Half year 2017 '000	Half year 2016 '000
Weighted average number of ordinary shares in issue during the year	**603,402**	496,596
	Pence	Pence
Adjusted Basic Earnings per Ordinary Share	**6.3**	6.7*

*Restated to include the effect of the bonus issue of shares incorporated in the Rights Issue in December 16

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

	Half year 2017 £m	Half year 2016 £m
Profit before taxation	**11.7**	20.8
Taxation on share of profit of associates	**0.1**	0.1
Exceptional items	**22.9**	6.0
Pension finance items	**2.0**	2.2
Amortisation of acquisition related intangibles	**7.9**	4.5
FX and fair value movements	**0.1**	2.9
Adjusted Profit Before Tax	**44.7**	36.5

17. Information

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

18. Auditor Review

This Half Yearly Financial Report has not been audited or reviewed by the auditor of the Group pursuant to the Auditing Practices Board guidance on Review of Interim Financial Statements.

HALF YEARLY FINANCIAL REPORT
For the half year ended 31 March 2017

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 Central Bank of Ireland 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 31 March 2017 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 31 March 2017 and a description of the principal risks and uncertainties for the remaining six months; and

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

On behalf of the Board,

P.F. Coveney	**E.P. Tonge**
Chief Executive Officer	Chief Financial Officer