HALF YEARLY FINANCIAL REPORT
for the half year ended 25 March 2011

greencore

INTERIM MANAGEMENT REPORT

Greencore Group plc, a leading international convenience food producer, today announces its results for the half year ended 25 March 2011.

HIGHLIGHTS[1&2]

Financial Delivery
- Group sales of €442m representing a 7.9% increase in year-on-year reported sales and a 4.4% increase on a constant currency basis
- Group operating profit of €27.0m, an increase of €0.5m or 1.7% in year-on-year reported profits and a reduction of €0.6m or 2.2% on a constant currency basis, primarily due to a reduction in property trading activity
- Bank interest payable reduced by €4.7m to €9.2m due to the significant reduction in Group debt as a result of the FY10 disposal programme
- Continuing adjusted EPS[3] of 6.8c, an increase of 35.4% on a constant currency basis
- Interim dividend of 3.0c per share (interim dividend FY10: 3.0c per share)
- Completion of the refinancing of the Group's primary bank facility of £280m for a 5 year term at competitive rates

Summary Performance

		Comparison to H1'10	
	H1'11	Increase / (decrease)	Constant currency increase/ (decrease)
Revenue	€442m	+7.9%	+4.4%
Group operating profit[2]	€27m	+1.7%	-2.2%
Operating margin[2]	6.1%	-40bps	-40bps
Adjusted EPS	6.8c	+41.7%	+35.4%

Business Performance
- Good performance in Convenience Foods in challenging market conditions
  - Constant currency sales growth of 4.3%
  - Operating margin of 6.5% (H1'10 6.7%)
  - Greencore growth in excess of UK market growth driven by good trading and new business wins
  - Continued progress on the US development agenda
- Performance in Ingredients & Property division impacted by reduced property trading activity
  - Now represents less than 10% of overall Group activity
  - Good ingredients performance more than offset by reduced property trading profits
- During the half, the business fully evaluated both a merger with and a subsequent acquisition of Northern Foods. In March, the board announced its intention not to make a revised offer for Northern Foods which was sold to a third party

Commenting on the results, Patrick Coveney, Group Chief Executive Officer said:
"Our business continues to perform well, despite some of the recent challenges in the UK and US food markets. We are delighted to have delivered sales growth for the first half of 7.9%, and in particular to have driven this through to a 42% growth in continuing adjusted earnings per share. This delivery is grounded in close customer relationships, strong operational performance, a passionate Greencore team and a focus on driving down financing costs following our disposal programme last year. Clearly, in the last six months we devoted considerable time and resources to corporate development activity and it was disappointing not to be able to execute a combination with Northern Foods. However, we learnt an enormous amount from the process and we are optimistic about our ability to drive growth and shareholder value from both our existing business and from corporate development in the months and years ahead."

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1 Continuing operations comparatives exclude activities disposed of during FY'10 (Malt in the Ingredients & Property division and Water and the Continental businesses in the Convenience Foods division).
2 Before exceptional items and acquisition related amortisation.
3 Before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company & certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.
4 Based on Kantar market data for 24 weeks ended 23 March 2011

INTERIM MANAGEMENT REPORT

Presentation

A presentation of the results will be made to analysts and institutional investors at 9.00am on Tuesday 24 May 2011 at Investec London, 2 Gresham Street, London EC2V 7QP.

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

UK:	+44 (0)20 7806 1966
Ireland:	+353 (0) 1 4860916
Pass code:	6523469#

Replay of the presentation will be available on our website www.greencore.com. It will also be available through a conference call replay facility which will be available for one week – to dial into the replay:-

UK replay number:	+44 (0)20 7111 1244
Ireland replay number:	+353 (0) 1 4860902
Replay code:	6523469#

For further information, please contact

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Greencore Group

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

INTERIM MANAGEMENT REPORT

SUMMARY [1, 2 & 3]

Overall
The Group is now primarily a convenience foods business (representing over 90% of sales), supported by an ingredients business and a property trading operation. It delivered a solid H1'11 performance with constant currency sales growth of 4.4%, a modest increase in reported operating profit, an absolute reduction of €4.7m in bank interest costs and a 41.7% increase in continuing adjusted EPS. A key highlight of FY11 to date is the successful completion of the refinancing of £280m of primary bank facility for a five year term at competitive rates.

Convenience Foods
The Convenience Foods division had a good first half in challenging market conditions growing constant currency sales by 4.3% and constant currency operating profit by 0.7% resulting in a modest 20bps reduction in operating margins. The sales performance was encouraging in the light of the challenging trading environment and significant disruption from severe weather in four of our largest factories in the UK and the US during December / January (Manton Wood, Kiveton, Hull and Newburyport). Raw material inflation has been a significant factor in H1'11 and will be an area of focus for management for the foreseeable future. The impact has been largely offset during H1'11 through selective price increases, product re-engineering in conjunction with our retail partners and significant efficiency programmes throughout the business, such as the Lean Manufacturing and Total Lowest Cost initiatives.

Ingredients & Property
Ingredients & Property activity which comprises the molasses, edible oils and property trading operations now represents less than 10% of overall Group activity following the disposal of Malt during H1'10. This division delivered operating profits of €1.0m. This was €0.8m lower than H1'10 operating profit as a result of a reduction in property trading activity due to the adverse economic environment currently being experienced in Ireland, where the majority of the Group's property portfolio is located.

Finance, Treasury and Taxation
The Group undertook a significant business disposal programme during FY'10, generating proceeds in excess of €100m which were used to reduce the level of Group debt. In October 2010, the Group repaid €38.9m of maturing Private Placement Notes and settled a portion of the Group's fixed interest contracts for €4.6m. Net debt at 25 March 2011 was €236.7m compared to €193.4m at 24 September 2010 and was negatively impacted by acquisition costs, an exceptional charge largely related to merger/acquisition activity associated with Northern Foods and a seasonal working capital outflow during the period. The current year interest charge has been positively impacted by the FY'10 debt reduction with the bank interest charge in the period totalling €9.2m compared to a level of €13.9m in H1'10. The Group's net non-cash finance credit in the period was €3.4m mainly comprising movements in the fair value of derivatives and pension financing items. Subsequent to the period end the Group completed the refinancing of the primary bank facility of £280m for a five year term at competitive rates and extending our average debt maturity from 1.6 years to 4.6 years.

A net exceptional cost of €17.5m was recorded during the period related to costs associated with the proposed merger with Northern Foods, an assessment of a potential acquisition of Northern Foods, transaction costs associated with the On A Roll acquisition and costs of settling an outstanding legal claim related to former activities. The Group's effective tax rate in H1'11 (including the tax impact associated with pension finance items) was 18% and was in line with H1'10 continuing operations effective tax rate. The Group result for H1'11 was a loss of €0.3m compared to a profit of €25.2m in H1'10.

Dividends
The Board of Directors is announcing an interim dividend of 3.0 cent per share (H1'10: 3.0 cent).

INTERIM MANAGEMENT REPORT

OUTLOOK [1,2 & 3]

The trading environment in the UK proved challenging during H1'11 and whilst market performance improved during March and April, the consumer environment is expected to remain subdued throughout 2011. Against this backdrop, trading in our core Convenience Foods business was solid during H1'11 with growth ahead of the market in our largest businesses. The seasonally more important second half of the year has started well and we continue to experience strong demand for our convenience food offerings. Input cost inflation is now running at more pronounced levels than at the start of the current financial year and managing its impact will remain a key area of management focus in the second half. With continued good revenue growth coupled with a material reduction in interest charges the Board anticipates delivering adjusted EPS in line with market expectations.

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INTERIM MANAGEMENT REPORT

REVIEW OF OPERATIONS [1&2]

Convenience Foods

	H1 FY'11 €'m	H1 FY'10 €'m	Change	Constant currency change
Turnover – continuing*	402.4	372.0	+8.2%	+4.3%
Operating profit[2]	26.0	24.8	+4.9%	+0.7%
Operating margin[2]	6.5%	6.7%		

** excludes Water and Continental businesses disposed of during FY'10*

The Convenience Foods division had a good first half in challenging market conditions growing constant currency sales by 4.3% and constant currency operating profit by 0.7% resulting in a modest 20bps reduction in operating margins. The sales performance was encouraging in the light of the challenging trading environment and significant disruption from severe weather in four of our largest factories in the UK and US during December / January (Manton Wood, Kiveton, Hull and Newburyport). Raw material inflation has been a significant factor in H1'11 and will continue to be an area of focus for management for the foreseeable future. The impact has been largely offset during H1'11 through selective price increases, product re-engineering in conjunction with our retail partners and significant efficiency programmes throughout the business, such as the Lean Manufacturing and Total Lowest Cost initiatives.

UK Convenience Foods

Food to Go
Food to Go is our largest category business comprising the manufacture of fresh sandwiches, salads and sushi together with a distribution business which distributes in excess of 40% of our sales direct to over 7,000 stores throughout the UK six days a week. Both the food to go market and the Greencore Food to Go business proved particularly resilient despite the subdued retail environment with the sandwich market growing value by 2.6%[4] in the period while Greencore delivered 8.4%[4] growth on the same basis. Our Food to Go business experienced sandwich value growth in excess of volume growth by 2.8%[4] due to commodity price inflation impacting the sales price, the cost impact of a move to cardboard and a modest 'trading up' by consumers. Key to our continued success has been (a) our manufacturing excellence coupled with outstanding high quality innovation and service (both of which have been recognised by recent customer awards) which is delivered at the lowest possible cost to customers and which resulted in this category continuing to win significant new business with customers during the period and (b) the unique direct to store distribution service which Greencore offers and where we also continue to add customers (over 300 new store deliveries have commenced in the last 12 months).

Prepared Meals
The Prepared Meals business, our second largest Convenience Foods business, comprises chilled ready meals (CRM) and chilled quiche both of which are produced as own label product and complemented by a range of branded Weight Watchers products. Our Prepared Meals business performed strongly in FY'10 and has continued to build on this momentum during H1'11. In particular, our CRM business showed value growth of 19.3%[4] in the period compared to market value growth of 9.4%[4] with our growth driven by both existing and new customer gains. Consumers continue to seek out 'best deals' aiming for value for money and not wanting to compromise on quality or convenience. As a result, multi-buy activity and 'dine in' promotions remain key features of this category. In conjunction with our customers, Greencore has developed particularly strong high quality eat at home ranges which sell as part of multi-buy activity.

Grocery
The Grocery category undertook a significant SKU rationalisation programme to eliminate non-core products during FY'10 and as a result the business is now focused on the ambient cooking sauces, table sauces and pickles markets. While this has reduced overall sales in the category, it has significantly simplified the business and improved returns. The largest category in which it participates is cooking sauce, which market has achieved 4.9%[4] value growth and 3.2%[4] volume growth in the period. We have seen an increase in the level of branded promotional activity in the category with consumers seeking out the best deals. Against this back-drop our business delivered a solid performance working closely with customers to retain business contracts and deal with the impact of raw material inflation while delivering value at a high quality for consumers.

Cakes and Desserts
Our Cakes and Desserts business had a challenging H1'11 with the business being impacted by excess industry capacity, a significant level of raw material inflation and an increasing level of promotional activity. The total ambient cakes market grew value by 0.2%[4] in the period while volumes declined by 1.1%[4]. Our reported category sales were consistent with H1'10, a strong performance in the context of the loss of a major range in May 2010 however operating margins reduced significantly year-on-year due to the impact of pronounced raw material inflation, the excess industry capacity and market competition.

Chilled Sauces and Soups
Greencore is one of the largest producers of chilled sauces in the UK with a 32%[4] market share and with a complementary 12%[4] market share in chilled soup. The chilled sauce category experienced 7%[4] value growth in the period. The chilled soup market had a particularly strong growth pattern in the period with consumers being tempted into this category particularly during the very cold winter. That market showed 12%[4] value growth while Greencore experienced 20%[4] value growth. Due to our strong growth in soups, we invested in further production capacity during the period

Frozen Yorkshire Puddings
Our Frozen Yorkshire Puddings business primarily produces own label Yorkshire puddings from a facility in Leeds. The business had a challenging FY'10 during which a fire damaged the manufacturing facility. The business has invested in two new state of the art ovens. Substantial progress has been made on oven commissioning, however sales were lower versus H1'10 as the business continued to recover from the fire.

Foodservice Desserts – Ministry of Cake
Our Foodservice Desserts business is the smallest category within Convenience Foods. It had a solid H1'11 in the context of a challenging foodservice market which was significantly impacted by the very cold winter experiencing a modest sales decline.

US Convenience Foods
Our US business which now operates from three facilities made considerable progress in the period. A significant plant refit was completed in November 2010 at the Newburyport facility. The business refocused its offering during the period by exiting trade with poor returns, in particular Thanksgiving 'holiday dinner kits'. The business was also impacted by exceptionally challenging weather conditions in January 2011. In addition we commenced a trial of Weight Watchers prepared meal products in a number of Wal*Mart stores during the period.

In December 2010, the business completed the acquisition of On A Roll Sales. The business has performed strongly since acquisition and represented 1.3% of Group sales in the period. We have already realised significant operational benefits from running the businesses together.

Ingredients & Property

	H1 FY'11 €'m	H1 FY'10 €'m	Change	Constant currency change
Sales	39.5	37.5	+5.3%	+5.3%
Operating profit[2]	1.0	1.8	-42.4%	-42.4%
Operating margin[2]	2.6%	4.8%		

Ingredients & Property activity which comprises the molasses, edible oils and property trading operations now represents less than 10% of overall Group activity following the disposal of Malt during H1'10. The performance of Malt, previously reported within this division, has been separately disclosed as a discontinued activity. This Division recorded an acceptable first half in difficult market conditions with operating profits of €1.0m. This was €0.8m lower than H1'10 operating profit as a result of a reduction in property trading activity due to the adverse economic environment currently being experienced in Ireland, where the majority of the Group's property portfolio is located.

Malt - discontinued
The Group's Malt business was disposed of on 26 March 2010 and as a consequence the FY'10 comparative reflects its contribution for the first half of the previous financial year. There were no profits or losses recorded in respect of the Malt business in the period ended 25 March 2011.

FINANCIAL REVIEW [1&2]

Overview

The weakening of the euro against sterling had a modest impact on the results when compared to last year. The average EUR/GBP exchange rate was 0.888 in H1'10 compared to 0.857 in H1'11 impacting the translation of our sterling results positively by 3.5% in the period. Constant currency comparisons are made by re-stating the H1'11 financial information at the average rate for H1'10. Group sales of €441.8m were 4.4% ahead of H1'10 on a constant currency basis and 7.9% ahead after the impact of currency translation. Operating profit in the period of €27.0m was 2.2% adverse to H1'10 on a constant currency basis but was 1.7% ahead after the impact of currency translation. The Group operating margin on continuing operations was 6.1% compared to 6.5% in H1'10 of which 20 bps was due to lower property profits. The Group result for H1'11 was a loss of €0.3m compared to a profit of €25.2m in H1'10.

Capital Structure

The Group employs a combination of debt and equity to fund its operations. At 25 March 2011 the total capital employed in the Group was €457.3m (H1'10: €426.8m). Capital employed is defined as the sum of the book value of shareholders' equity plus comparable net debt but excluding investment property and pension scheme assets or deficits. The Group's primary source of incremental capital, outside of the capital markets, is its cash flow from operations which was €13.0m before exceptional items during H1'11. The Group funds its acquisition activity from a combination of cash flow and available headroom within committed bank facilities.

As at 25 March 2011 the Group's net debt was €236.7m which represented 2.9 times EBITDA in the 12 months to 25 March 2011, comfortably within the Group's key debt covenant. At 25 March 2011 the Group had committed facilities of €445m with maturity dates extending through to October 2015. £280m of our facilities were refinanced on 13 May 2011 for a 5 year period.

Bank Debt and Interest Payable

The Group's bank interest payable in H1'11 was €9.2m, a €4.7m reduction on the H1'10 charge of €13.9m. The composition of the charge in the period was interest payable of €7.6m, commitment fees for undrawn facilities of €0.9m and an amortisation charge in respect of facility arrangement fees of €0.7m. The Group undertook a significant disposal programme during FY'10 disposing of the Malt, Water and Continental businesses. As a consequence of that programme, the Group restructured the debt profile of the Group during FY'10 by repaying bank borrowings and settling fixed interest contracts. In October 2010 the Group repaid further debt totalling €38.9m of Private Placement Notes and settled a portion of the Group's fixed interest contracts for €4.6m. The settlement cost associated with the fixed interest contracts had been fully provided for in the Group's financial statements and represented an acceleration of amounts which would have been paid in future years as interest payable. Average net debt, as is customary and having regard to the seasonal profile of our business and our customers' and suppliers' working capital profile, is forecast to be approximately €75m higher than net debt at the end of the financial year which is a seasonally low point.

Non Cash Finance Charges

The Group's net non cash finance charge in H1'11 was a credit of €3.4m (charge of €1.1m in H1'10). The change in the fair value of derivatives and related debt adjustments was a non cash credit of €3.7m in the period compared to a credit of €0.4m in the comparative period reflecting, in the main, the movement in interest rates in the period which has a resulting impact on marking to market the Group's fixed interest rate swaps coupled with the passage of time bringing the interest rate swaps six months closer to maturity. The non cash pension financing charge of €0.7m was higher than the charge in H1'10 of €0.1m reflecting changes in the discount rates.

Taxation

The Group's effective tax rate in H1'11 was 18% including the tax impact associated with pension finance items. This is consistent with the effective tax rate for the continuing operations of the Group during H1'10.

Exceptional Items
An exceptional cost of €17.7m (pre tax) was recorded during H1'11. Of this:
- €13.6m related to transaction costs associated with the costs of a proposed merger with Northern Foods, an assessment of a potential acquisition of Northern Foods and the transaction costs relating to the On A Roll acquisition in the US.
- €4.1m represents a legal claim related to former activities.

Earnings per share[3]
Adjusted earnings per share for H1'11 were 6.8 cent compared to 8.5 cent in the comparable period. Continuing adjusted earnings totalled 6.8 cent compared to 4.8 cent in H1'10 with the current period growth driven in the main by the significant reduction in year-on-year interest costs. The relevant weighted average number of ordinary shares for the period was 206.1m (H1'10 204.3m). The adjusted earnings per share calculation is stated before exceptional items, fair value items, intercompany and external balances foreign exchange effects, pension finance items and amortisation of acquisition related intangibles.

Pensions
The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) was €380.5m at 25 March 2011, a modest reduction from the 24 September 2010 level of €381.4m. The present value of the total pension liabilities for these schemes was €482.0m at period end, down from €499.3m at 24 September 2010. This is reflected in a reduction in the net pension deficit (before related deferred tax) to €102.2m at 25 March 2011 (from a net pension deficit of €118.4m at 24 September 2010). The net pension deficit was €78.8m after related deferred tax at 25 March 2011 (from a deficit of €90.8m after related deferred tax at 24 September 2010). The key driver of the reduction in liabilities in the period was the movement in corporate bond yields which is the interest rate required under IAS19 to calculate pension liabilities. The Group provides all pension benefits for current employees and new entrants under defined contribution pension arrangements having closed all defined benefit schemes to future accrual during FY'10.

Cash Flow and Net Debt
Net debt at 25 March 2011 was €236.7m, an increase of €43.3m compared to the €193.4m reported as of 24 September 2010. The key drivers of the c.€43m increase were business acquisition costs totalling €13.1m, exceptional cash payments of €14.4m and a seasonal working capital outflow of €20.6m. A net cash inflow (pre exceptional items and working capital movements) from operating activities of €33.6m was recorded in the period. Capital expenditure of €15.2m was incurred in the period. Interest costs of €10.7m were paid in the period with dividends paid to equity holders totalling €4.8m. A cash payment of €4.6m was incurred on settling a portion of the Group's fixed interest rate contracts. The translation of the GBP and USD components of the Group's debt positively impacted net debt at March 2011 by €9.0m versus the September 2010 debt level.

Dividends
Dividend policy is an annual payout ratio in the range of 40-50% of adjusted EPS. In accordance with this policy an interim dividend of 3.0 cent per share is proposed (FY'10 interim dividend 3.0 cent per share).

Total Equity
Total equity at 25 March 2011 was €179.9m compared to €178.9m at 24 September 2010.

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

- Return on capital employed
  Capital is defined as the sum of the book value of shareholders' equity plus comparable net debt but excluding investment property and pension scheme assets or deficits with the returns measure expressed as a proportion of operating profit[1& 2] including share of associates. This calculation is undertaken on a rolling 12-month basis. The Group's return on capital on a continuing basis in the 12 months to 25 March 2011 was 13.3% (13.8%: 12 months to 26 March 2010). The reduction in the year-on-year return on capital employed was driven in the main by the increased level of debt due to exceptional costs and the early settlement of interest rate swaps.

- Sales growth
  Group sales from continuing businesses increased by 4.4% on a constant currency basis and by 7.9% after the impact of currency translation. The Convenience Foods business measures weekly sales growth. In H1'11 it recorded 4.3% constant currency sales growth and 8.2% growth after currency translation. The Ingredients & Property division tracks monthly sales. In H1'11 a 5.3% increase in continuing sales was recorded, albeit this activity now represents a small proportion of Group sales and cash margin represents a more appropriate long term KPI for this business.

- Operating margin
  The Group's pre-exceptional operating margin on continuing businesses in H1'11 was 6.1% compared to 6.5% in the comparative period. In Convenience Foods, the operating margin on continuing businesses was 6.5% compared to 6.7% in H1'10.

- Free cash flow
  The Group's free cash measure is net cash flow from operating activities after capital expenditure but before exceptional items and pension deficit funding. Group continuing free cash was €2.7m.

Principal Risks and Uncertainties
Under the Transparency (Directive 2004/109/EC) Regulations 2007, the Group is required to give a description of the principal risks and uncertainties it faces. As with any large group, Greencore faces a number of risks and uncertainties. Individual business unit management teams primarily drive the process by which individual risks and uncertainties are identified, these teams being best placed to identify significant and emerging risks and uncertainties in their businesses. The output from this process feeds into the regular management reporting structures. Risks and mitigating controls, common across all categories are managed and reviewed at a Group level. Risks identified and associated mitigating controls are subject to review as part of the Group's health and safety, technical compliance and operational/financial audit programmes. The key risks facing the business include the following:

Strategic risks
- The Group operates in highly competitive markets, particularly within the Convenience Foods division. Significant product innovations, technical advances or the intensification of price competition could adversely affect the Group's results.
- In order for the Group to continue its strategic expansion, it is necessary that it identifies and pursues suitable acquisition targets or green-field development sites and integrates these successfully into the Group's existing operations in an efficient and sustainable manner.

Commercial risks
- In common with other food industry manufacturers, unforeseen changes in food consumption patterns and/or amendments to government legislation regarding the composition of food products may impact the Group. In addition, demand for a number of the Group's products and the recoverability of amounts receivable can be adversely affected by global economic conditions.
- The Group benefits from close commercial relationships with a number of key customers. The loss of any of these key customers, or a significant worsening in commercial terms, could result in a material impact on the Group's results.
- The Group's cost base can be affected by fluctuating raw material and energy prices.

Operational risks

- As a producer of convenience foods and ingredients, Greencore is subject to general market related risks, including product contamination and general food scares. In addition, Greencore is subject to rigorous and constantly evolving regulations and legislation in the areas of environmental protection and employee health and safety.
- The loss of a significant manufacturing/operational site through fire, natural catastrophe, act of vandalism or critical plant failure could potentially have a material impact on the Group.
- A significant IT system failure could adversely impact on operations.
- The ongoing success of the Group is dependent on attracting and retaining high quality senior management and staff who have the ability to effectively manage the Group's operations in a period of economic stability and in a downturn.

Financial risks

- In the multi-currency and multi-national trading environment in which the Group operates, there are inherent risks associated with fluctuations in both foreign exchange rates and interest rates. In addition, in the current economic climate, the Group's credit rating and its related ability to obtain funding for future development and expansion are specific risks.
- The Group's defined benefit pension schemes are exposed to the risk of changes in interest rates and the market value of investments, as well as inflation, increasing longevity of scheme members and changes to pension legislation.

Other

- The Group has a considerable land-bank for future development. The value of this holding is directly related to the macro-economic environment in Ireland and the UK, the successful environmental clean-up of the brown-field sugar factory sites and the nature and timing of any zoning and subsequent planning permission obtained.
- The Group's Convenience Foods portfolio is second half weighted. Weather (both severe adverse weather and favourable weather conditions) and seasonal buying patterns impact, in particular, the demand for chilled product categories.

Further details of the principal risks and uncertainties facing the Group are set out in the 2010 Annual Report.

Related Party Transactions

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

Auditor Review

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

Forward-Looking Statements

Certain statements made in 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.

E.F. Sullivan
Chairman
24 May 2011

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- the Group Condensed Financial Statements for the half year ended 25 March 2011 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 25 March 2011, and a description of the principal risks and uncertainties for the remaining six months;
- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

P.F. Coveney	**A.R. Williams**
Chief Executive Officer	Chief Financial Officer
24 May 2011	

Current Directors

Mr. E.F. Sullivan	(Chairman)
Mr. P.F. Coveney	(Chief Executive Officer)
Mr. A.R. Williams	(Chief Financial Officer)
Ms. D.S. Walker	(Chief Executive, Convenience Food, UK)
Mr. J.T. Herlihy	
Mr. P.G. Kennedy	
Mr. P.A. McCann	
Mr. E.L. Nicoli	
Mr. D.M. Simons	
Mr. D.A. Sugden	
Mr. C.M. O'Leary	(Group Company Secretary)

GROUP CONDENSED INCOME STATEMENT
for the half year ended 25 March 2011

	Notes	Half Year ended 25 March 2011 (Unaudited) Pre – exceptional €'000	Exceptional (Note 5) €'000	Total €'000	Half Year ended 26 March 2010 *As re-presented (Unaudited) Pre – exceptional €'000	Exceptional (Note 5) €'000	Total €'000
Continuing operations							
Revenue	3	**441,834**	**-**	**441,834**	409,503	-	409,503
Cost of sales		**(299,000)**	**-**	**(299,000)**	(273,892)	-	(273,892)
Gross profit		**142,834**	**-**	**142,834**	135,611	-	135,611
Operating costs, net		**(115,788)**	**(17,652)**	**(133,440)**	(109,018)	-	(109,018)
Group operating profit/(loss) before acquisition related amortisation	3	**27,046**	**(17,652)**	**9,394**	26,593	-	26,593
Amortisation of acquisition related intangibles		**(1,433)**	**-**	**(1,433)**	(1,171)	-	(1,171)
Group operating profit/(loss)		**25,613**	**(17,652)**	**7,961**	25,422	-	25,422
Finance income	11	**11,821**	**-**	**11,821**	12,398	-	12,398
Finance costs	11	**(17,641)**	**-**	**(17,641)**	(27,423)	-	(27,423)
Share of profit of associates after tax		**338**	**-**	**338**	338	-	338
Profit/(loss) before taxation		**20,131**	**(17,652)**	**2,479**	10,735	-	10,735
Taxation	6	**(2,855)**	**125**	**(2,730)**	(2,032)	-	(2,032)
Result for the period from continuing operations		**17,276**	**(17,527)**	**(251)**	8,703	-	8,703
Discontinued operations							
Result from discontinued operations	14	**-**	**-**	**-**	7,926	8,521	16,447
Result for the financial period		**17,276**	**(17,527)**	**(251)**	16,629	8,521	25,150
Attributable to:							
Equity shareholders		**16,870**	**(17,527)**	**(657)**	16,129	8,521	24,650
Non-controlling interests		**406**	**-**	**406**	500	-	500
		17,276	**(17,527)**	**(251)**	16,629	8,521	25,150
Basic (loss)/earnings per share (cent)							
Continuing operations				**(0.3)**			4.0
Discontinued operations				**-**			8.1
	8			**(0.3)**			12.1
Diluted (loss)/earnings per share (cent)							
Continuing operations				**(0.3)**			4.0
Discontinued operations				**-**			8.0
	8			**(0.3)**			12.0

* As re-presented to reflect the effect of discontinued operations – refer to Note 14 for further information

GROUP CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the half year ended 25 March 2011

	Half year ended 25 March 2011 (Unaudited) €'000	Half year ended 26 March 2010 (Unaudited) €'000
Items of income and expense taken directly within equity		
Currency translation differences	**(3,094)**	6,026
Current tax on currency translation differences	**754**	-
Currency translation differences recycled to Income Statement on disposal	**-**	7,232
Hedge of net investment in foreign currency subsidiaries	**5,519**	(3,805)
Actuarial gain/(loss) on Group defined benefit pension schemes	**8,962**	(1,803)
Deferred tax on Group defined benefit pension schemes	**(3,341)**	1,931
Cash flow hedges:		
Gain taken to equity	**-**	61
Transferred to Income Statement for the period	**-**	1,766
Deferred tax on cash flow hedges	**-**	(497)
Cash flow hedge losses recycled to Income Statement on disposal	**-**	108
Net income recognised directly within equity	**8,800**	11,019
Group result for the financial period	**(251)**	25,150
Total recognised income and expense for the financial period	**8,549**	36,169
Attributable to:		
Equity shareholders	**8,143**	35,669
Non-controlling interests	**406**	500
Total recognised income and expense for the financial period	**8,549**	36,169

GROUP CONDENSED BALANCE SHEET
at 25 March 2011

	Notes	**25 March 2011 (Unaudited) €'000**	26 March 2010 (Unaudited) €'000	24 Sept 2010 (Audited) €'000
ASSETS				
Non-current assets				
Intangible assets	9	**411,435**	404,959	404,555
Property, plant and equipment	9	**210,338**	213,060	217,532
Investment property	9	**37,727**	36,140	37,916
Investment in associates		**979**	972	682
Other receivables		**3,148**	3,032	6,310
Derivative financial instruments	11	**11,804**	22,296	19,220
Deferred tax assets		**41,439**	41,480	46,284
Total non-current assets		**716,870**	721,939	732,499
Current assets				
Inventories		**45,055**	46,960	39,549
Trade and other receivables		**75,018**	68,394	64,537
Derivative financial instruments		**77**	4,751	2,486
Cash and cash equivalents	11	**6,991**	199,105	11,707
Total current assets		**127,141**	319,210	118,279
Total assets		**844,011**	1,041,149	850,778
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	10	**133,348**	132,056	132,661
Share premium		**121,854**	120,378	121,162
Reserves		**(78,557)**	(57,056)	(77,820)
		176,645	195,378	176,003
Non-controlling interests		**3,287**	4,091	2,881
Total equity		**179,932**	199,469	178,884
LIABILITIES				
Non-current liabilities				
Borrowings	11	**255,481**	378,033	185,415
Retirement benefit obligations	15	**102,180**	93,814	118,442
Other payables		**4,575**	6,525	5,193
Provisions for liabilities	12	**3,830**	4,495	3,950
Deferred tax liabilities		**43,447**	41,803	43,842
Government grants		**101**	119	114
Total non-current liabilities		**409,614**	524,789	356,956
Current liabilities				
Borrowings	11	**-**	41,577	41,401
Derivative financial instruments		**9,806**	24,732	18,894
Trade and other payables		**210,399**	215,178	218,126
Provisions for liabilities	12	**7,406**	9,867	8,297
Income taxes payable		**26,854**	25,537	28,220
Total current liabilities		**254,465**	316,891	314,938
Total liabilities		**664,079**	841,680	671,894
Total equity and liabilities		**844,011**	1,041,149	850,778

GROUP CONDENSED CASH FLOW STATEMENT
for the half year ended 25 March 2011

	Half year ended 25 March 2011 (Unaudited) €'000	Half year ended 26 March 2010 *As re-presented (Unaudited) €'000
Profit before taxation	**2,479**	10,735
Finance income	**(11,821)**	(12,398)
Finance costs	**17,641**	27,423
Share of profit of associates (after tax)	**(338)**	(338)
Exceptional items – continuing	**17,652**	-
Operating profit – continuing (pre-exceptional)	**25,613**	25,422
Depreciation	**9,999**	9,419
Amortisation of intangibles	**2,107**	1,892
Share based payments expense	**966**	688
Amortisation of government grants	**(8)**	(26)
Difference between pension charge and cash contributions	**(4,895)**	(2,713)
Working capital movement	**(20,565)**	5,798
Other movements	**(174)**	260
Net cash inflow from operating activities before exceptional items	**13,043**	40,740
Cash outflow related to exceptional items	**(14,366)**	(3,834)
Interest paid	**(10,685)**	(15,007)
Tax paid	**(1,715)**	(46)
Operating cash flows from discontinued operations	**-**	(12,744)
Net cash (outflow)/inflow from operating activities	**(13,723)**	9,109
Cash flow from investing activities		
Dividends received from associates	**-**	17
Purchase of property, plant and equipment	**(14,549)**	(13,867)
Purchase of investment property	**(675)**	-
Purchase of intangible assets	**(3)**	(3)
Acquisition of undertakings and purchase of non-controlling interests	**(13,093)**	-
Disposal of undertakings	**470**	107,717
Interest received	**38**	902
Investing cash flows from discontinued operations	**-**	(2,090)
Net cash (outflow)/inflow from investing activities	**(27,812)**	92,676
Cash flow from financing activities		
Proceeds from issue of shares	**16**	-
Ordinary shares purchased – own shares	**(500)**	(2,000)
Increase in bank borrowings	**86,243**	110,000
Repayment of Private Placement Notes	**(38,857)**	(50,009)
Decrease in finance lease liabilities	**-**	(19)
Cash outflow arising from derivative financial instruments	**(4,609)**	-
Dividends paid to equity holders of the Company	**(4,837)**	(4,572)
Net cash inflow from financing activities	**37,456**	53,400
Net (decrease)/increase in cash and cash equivalents	**(4,079)**	155,185
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of period	**11,707**	43,933
Translation adjustment	**(637)**	(13)
(Decrease)/increase in cash and cash equivalents	**(4,079)**	155,185
Cash and cash equivalents at end of period	**6,991**	199,105

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 25 March 2011

	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
At 24 September 2010	132,661	121,162	(17,840)	(59,980)	**176,003**	2,881	**178,884**
Items of income and expense taken directly within equity							
Currency translation differences	-	-	(3,094)	-	**(3,094)**	-	**(3,094)**
Current tax on currency translation differences	-	-	-	754	**754**	-	**754**
Net investment hedge	-	-	5,519	-	**5,519**	-	**5,519**
Actuarial gain on Group defined benefit pension schemes	-	-	-	8,962	**8,962**	-	**8,962**
Deferred tax on Group defined benefit pension schemes	-	-	-	(3,341)	**(3,341)**	-	**(3,341)**
Result for the financial period	-	-	-	(657)	**(657)**	406	**(251)**
Share based payments expense	-	-	966	-	**966**	-	**966**
Transfer on exercise, lapse or forfeit of share options and awards	-	-	(1,267)	1,267	**-**	-	**-**
Shares acquired by Deferred Share Awards Trust	-	-	(500)	-	**(500)**	-	**(500)**
Shares granted to beneficiaries of Deferred Share Awards Trust	-	-	1,621	(1,621)	**-**	-	**-**
Issue of shares	687	692	-	-	**1,379**	-	**1,379**
Dividends	-	-	(152)	(9,194)	**(9,346)**	-	**(9,346)**
At 25 March 2011	133,348	121,854	(14,747)	(63,810)	**176,645**	3,287	**179,932**

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

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 25 March 2011 *(continued)*

Other Reserves

	Share options €'000	**Own shares €'000**	**Capital conversion reserve fund €'000**	**Hedging reserve €'000**	**Foreign currency translation reserve €'000**	**Total €'000**
At 24 September 2010	**3,063**	**(23,443)**	**934**	**-**	**1,606**	**(17,840)**
Items of income and expense taken directly within equity						
Currency translation differences	**-**	**-**	**-**	**-**	**(3,094)**	**(3,094)**
Net investment hedge	**-**	**-**	**-**	**-**	**5,519**	**5,519**
Share based payments expense	**966**	**-**	**-**	**-**	**-**	**966**
Transfer on exercise, lapse or forfeit of share options and awards	**(1,267)**	**-**	**-**	**-**	**-**	**(1,267)**
Shares acquired by Deferred Share Awards Trust	**-**	**(500)**	**-**	**-**	**-**	**(500)**
Shares granted to beneficiaries of Deferred Share Awards Trust	**-**	**1,621**	**-**	**-**	**-**	**1,621**
Dividends	**-**	**(152)**	**-**	**-**	**-**	**(152)**
At 25 March 2011	**2,762**	**(22,474)**	**934**	**-**	**4,031**	**(14,747)**

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

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The Group Condensed Financial Statements have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

These Condensed Financial Statements do not comprise statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The Group condensed financial information for the year ended 24 September 2010 represents an abbreviated version of the Group Financial Statements for that year. Those financial statements, upon which the auditors issued an unqualified audit report, have been filed with the Registrar of Companies.

2. Accounting Policies

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 24 September 2010 and are as set out in those financial statements. The Group has reviewed its accounting policy for Exceptional Items and is making the following clarification: 'Exceptional items include transaction costs. In management's judgement such costs, by virtue of their nature as non-recurring and unrelated to the trading result of the business, should be highlighted and disclosed as exceptional items.'

The adoption of new standards and interpretations (as set out in the 2010 Annual Report) that became effective for the Group's financial statements for the year ended 30 September 2011 did not have any significant impact on the Group Condensed Financial Statements.

3. Segment Information

The Group is organised around different product portfolios. The Group's reportable segments under IFRS 8 are as follows:

Convenience Foods - this reportable segment is the aggregation of two operating segments, Convenience Foods UK and International Convenience Foods. This segment derives its revenue from the production and sale of convenience food.

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

The Greencore Malt reportable segment represented the manufacture and sale of malt. This business was discontinued during 2010 (Note 14).

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

On 26 March 2010, the Group completed the disposal of its Malt business ("Greencore Malt") and its bottled water business ("Greencore Water"). On 20 August 2010, the Group completed the disposal of its Dutch based Convenience Foods business ("Greencore Continental"). In accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, the operations of Greencore Malt, Greencore Water and Greencore Continental were deemed discontinued. Comparatives have been re-presented to reflect Greencore Continental as discontinued in the half year ended 26 March 2010.

3. Segment Information *(continued)*

	Convenience Foods		Ingredients & Property		Malt (discontinued)		Total	
	Half year 2011 €'000	Half year 2010 €'000	**Half year 2011 €'000**	Half year 2010 €'000	**Half year 2011 €'000**	Half year 2010 €'000	**Half year 2011 €'000**	Half year 2010 €'000
Total revenue	**402,369**	406,967	**39,465**	37,481	**-**	90,581	**441,834**	535,029
Revenue from discontinued	**-**	(34,945)	**-**	-	**-**	(90,581)	**-**	(125,526)
Revenue - continuing	**402,369**	372,022	**39,465**	37,481	**-**	-	**441,834**	409,503
Operating profit before exceptional items and acquisition related amortisation	**26,014**	24,528	**1,032**	1,792	**-**	9,550	**27,046**	35,870
Operating loss/(profit) from discontinued operations	**-**	273	**-**	-	**-**	(9,550)	**-**	(9,277)
Operating profit before exceptional items and acquisition related amortisation - continuing	**26,014**	24,801	**1,032**	1,792	**-**	-	**27,046**	26,593
Amortisation of acquisition related intangible assets	**(1,433)**	(1,171)	**-**	-	**-**	-	**(1,433)**	(1,171)
Exceptional items							**(17,652)**	-
Finance income							**11,821**	12,398
Finance costs							**(17,641)**	(27,423)
Share of profit of associates after tax	**-**	-	**338**	338	**-**	-	**338**	338
Profit before taxation							**2,479**	10,735

	Convenience Foods		Ingredients & Property		Total	
	25 Mar 2011 €'000	25 Sep 2010 €'000	**25 Mar 2011 €'000**	25 Sep 2010 €'000	**25 Mar 2011 €'000**	25 Sep 2010 €'000
Segment assets						
Assets	**724,754**	714,646	**57,967**	55,753	**782,721**	770,399
Investments in associates	**-**	-	**979**	682	**979**	682
Total assets	**724,754**	714,646	**58,946**	56,435	**783,700**	771,081
Reconciliation to Total Assets as reported in the Group Condensed Balance Sheet						
Deferred tax assets					**41,439**	46,284
Cash and cash equivalents					**6,991**	11,707
Derivative financial instruments					**11,881**	21,706
Total assets as reported in the Group Condensed Balance Sheet					**844,011**	850,778

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 2011 €'000	Half year 2010 €'000
Continuing operations			
Transaction costs	(a)	**(13,552)**	-
Legal settlement	(b)	**(4,100)**	-
		(17,652)	-
Taxation on exceptional items		**125**	-
Total continuing operations		**(17,527)**	-
Discontinued operations (net of tax)			
Greencore Malt	(c)	**-**	**14,342**
Greencore Water	(d)	**-**	**(5,821)**
Total discontinued operations		**-**	**8,521**
Total exceptional (charge)/credit		**(17,527)**	**8,521**

(a) Transaction costs

On 17 November 2010, the Boards of Greencore and of Northern Foods plc 'Northern' announced that they had reached agreement on the terms of a recommended merger of equals to create Essenta Foods. The Greencore Board believe that the merger would have been a compelling prospect for both companies, creating a business which would offer substantial benefits for shareholders, customers and employees and it was anticipated that the merger would complete in the second quarter of 2011.

Subsequent to the announcement of the proposed merger, Greencore and Northern commenced planning for the integration of the two businesses, however, in late December 2010, a third party emerged as a potential bidder for the acquisition of Northern. On 21 January 2011, the Board of Northern changed its recommendation in favour of the merger to a recommendation in favour of an alternative cash offer from this third party.

Following this announcement, the Group performed an assessment of an acquisition of Northern and worked with a partner in order to agree a simultaneous sale of certain branded businesses of Northern. This approach was intended to provide significant funding and allow Greencore to acquire only the parts of the Northern business with the greatest synergy potential. This relatively complex structure required a range of stakeholders to reach agreement. However, after substantial investigation, the Board determined that an improved offer could not be concluded on terms which would deliver sufficiently strong returns to Greencore shareholders and on 9 March 2011, the Board of Greencore announced that it did not intend to make a revised offer for Northern.

On 7 December 2010, the Group announced the acquisition of On a Roll Sales ("On a Roll"), a Convenience Foods business based in Brockton, Massachusetts as set out in Note 17.

The €13.6 million exceptional charge includes the costs incurred on the Essenta combination, the assessment of an acquisition of Northern and transaction costs of €0.5 million relating to the On a Roll acquisition. The costs are shown net of recoveries payable to the Group by Northern through the Essenta Implementation Agreement, dated 17 November 2010 comprising the Break Fee and the Shared Costs. Of the costs incurred, the more significant portion is comprised of professional advisory costs and costs incurred to satisfy the provisions relating to conditionality in making an announcement in accordance with Rule 2.5 of the Takeover Code.

(b) Legal settlement

The Group settled an outstanding claim relating to its former activities and recognised an exceptional charge of €4.1 million in respect of both the settlement and related legal costs.

5. Exceptional Items *(continued)*

(c) Greencore Malt

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

(d) Greencore Water

The Group completed the disposal of its bottled water business on 26 March 2010 and a loss on disposal of €5.8 million was recognised in the Income Statement in the prior period. This included the recycle of €3.1 million of cumulative foreign currency translation losses, previously recognised in equity. The net impact on the Group's equity at 26 March 2010 was a decrease of €2.7 million.

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 applied to the taxable income of the interim period.

7. Dividends Paid and Proposed

A dividend of 4.50 cent per share was approved at the Annual General Meeting on 31 January 2011 as a final dividend in respect of the year ended 24 September 2010 and a total of €7.3 million was paid on 1 April 2011 to those shareholders that did not avail of the Group scrip dividend scheme.

An interim dividend of 3.00 cent (2010: 3.00 cent) per share is payable on 5 October 2011 to the shareholders on the Register of Members as of 3 June 2011. The ordinary shares will be quoted ex-dividend from 1 June 2011. The dividend will be subject to dividend withholding tax, although certain classes of shareholders may qualify for exemption.

The liability in respect of this interim dividend is not recognised in the Group balance sheet for the half year ended 25 March 2011 because the interim dividend had not been approved at the balance sheet date (but was subsequently declared by the Directors of the Company).

8. Earnings per Ordinary Share

Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the (loss)/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 by the Company and held as treasury shares and shares held in trust in respect of the Deferred Bonus Awards Scheme. The adjusted figures for basic and diluted earnings per ordinary share are after the elimination of exceptional items, the effect of foreign exchange (FX) on inter-company 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 and the effect of pension financing.

8. Earnings per Ordinary Share *(continued)*

	Half year 2011 €'000	Half year 2010 *As re-presented €'000
(Loss)/profit attributable to equity holders of the Company	**(657)**	24,650
Exceptional items (post tax)	**17,527**	(8,521)
Fair value of derivative financial instruments and related debt adjustments	**(3,749)**	(363)
FX on inter-company and external balances where hedge accounting is not applied	**(182)**	1,257
Amortisation of acquisition related intangible assets	**1,433**	1,171
Pension financing	**702**	84
Tax effect of pension financing and amortisation of acquisition related intangibles	**(995)**	(664)
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**-**	(345)
Numerator for adjusted earnings per share calculation	**14,079**	17,269
Result for the period from discontinued operations (pre-exceptional)	**-**	(7,926)
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**-**	345
Numerator for continuing adjusted earnings per share calculation	**14,079**	9,688
Numerator for discontinued basic EPS		
Discontinued profit for the year	**-**	16,447
Numerator for discontinued adjusted EPS		
Result for the period from discontinued operations (pre-exceptional)	**-**	7,926
Fair value of derivative financial instruments and related debt adjustments and pension financing included in discontinued operations	**-**	(345)
Numerator for discontinued adjusted EPS	**-**	7,581

	Half year 2011 cent	Half year 2010 *As re-presented cent
Basic (loss)/earnings per ordinary share		
Continuing operations	**(0.3)**	4.0
Discontinued operations	**-**	8.1
	(0.3)	12.1
Adjusted basic earnings per ordinary share		
Continuing operations	**6.8**	4.8
Discontinued operations	**-**	3.7
	6.8	8.5

	Half year 2011 '000	Half year 2010 '000
Denominator for earnings per share and adjusted earnings per share calculation		
Shares in issue at the beginning of the period	**210,574**	208,333
Treasury shares	**(3,905)**	(3,905)
Shares held by Trust	**(1,651)**	(1,384)
Effect of shares issued in period	**1,064**	1,244
Weighted average number of ordinary shares in issue during the period	**206,082**	204,288

8. Earnings per Ordinary Share *(continued)*

Diluted earnings per ordinary share
Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Employee share options, which are performance based, are treated as contingently issuable shares, because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable ordinary shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability have not been satisfied as at the end of the reporting period. Options over 5,477,962 (2010: 4,818,180) 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.

	Half year 2011 cent	Half year 2010 *As re-presented cent
Diluted (loss)/earnings per ordinary share		
Continuing operations	**(0.3)**	4.0
Discontinued operations	**-**	8.0
	(0.3)	12.0
Adjusted diluted earnings per ordinary share		
Continuing operations	**6.7**	4.7
Discontinued operations	**-**	3.7
	6.7	8.4

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

	Half year 2011 '000	Half year 2010 '000
Denominator for diluted earnings per share and adjusted earnings per share		
Weighted average number of ordinary shares in issue during the period	**206,082**	204,288
Dilutive effect of share options	**3,227**	2,202
Weighted average number of ordinary shares for diluted earnings per share	**209,309**	206,490

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

During the six month period to 25 March 2011, the Group made approximately €10.6 million (2010: €15.9 million) of additions to property, plant and equipment, investment property and intangible assets. The Group also disposed of certain assets with a carrying amount of €0.3 million (2010: €0.7 million) for proceeds of €0.9 million (2010: €2.5 million).

In addition, €5.1 million of goodwill, €8.1 million of intangible assets and €0.5 million of plant and equipment were acquired as part of the acquisition of On a Roll Sales in the period (Note 17).

At 25 March 2011, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €1.2 million (2010: €3.2 million).

10. Equity Share Capital

Issued capital as at 25 March 2011 amounted to €133.3 million (24 September 2010: €132.7 million) of which €2.5 million (2010: €2.5 million) is attributable to treasury shares and €0.8 million (24 September 2010: €1.1 million) is attributable to shares held by the Deferred Bonus Plan Trust. During the six month period to 25 March 2011, 1,072,797 shares (2010: 1,278,995) were issued in respect of the scrip dividend scheme and 15,116 shares (2010: nil) were issued in respect of the Group's Sharesave Schemes.

Pursuant to the Deferred Bonus Plan, 348,677 shares (2010: 1,425,832) were purchased by the Trustees of the Plan during the period ended 25 March 2011 at a cost of €0.5 million (2010: €2.0 million). The nominal value of these shares, on which dividends have not been waived by the Trustees of the Plan, was €0.2 million at 25 March 2011 (2010: €0.9 million). In addition, the Trustees have, to date, availed of the scrip dividend scheme and utilised dividend income with a combined value of €0.152 million to acquire 114,241 shares in the Group with a nominal value of €0.072 million. In the period, 989,502 shares with a nominal value of €0.623 million were transferred to beneficiaries of the Deferred Bonus Plan.

There were 80,000 (2010: 925,000) share options granted under the Executive Share Option Scheme and no shares were granted under the Sharesave Schemes in the period.

11. Components of Net Debt and Financing

During the period, the Group repaid €38.9 million of Private Placement Notes which had reached their maturity dates. The cash flows from financing activities are set out in the Group Condensed Cash Flow Statement.

	25 March 2011 €'000	26 March 2010 €'000
Net Debt		
Current assets		
Cash and cash equivalents	**6,991**	199,105
Current liabilities		
Borrowings before fair value adjustment	**-**	(36,857)
Non-current liabilities		
Borrowings before fair value adjustment	**(243,295)**	(356,466)
Comparable net debt	**(236,304)**	(194,218)
Borrowings – fair value hedge adjustment	**(12,186)**	(26,287)
Cross currency interest rate swaps – fair value hedges	**11,804**	27,047
Group net debt	**(236,686)**	(193,458)

	Half year 2011 €'000	Half year 2010 *As re-presented €'000
Net Finance Costs		
Net finance costs on interest bearing cash, cash equivalents and borrowings	**(9,177)**	(13,877)
Net pension financing charge	**(702)**	(84)
Change in fair value of derivative and related debt adjustments	**3,749**	363
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**182**	(1,257)
Unwind of present value discount on non-current payables and receivables	**128**	(170)
	(5,820)	(15,025)
Analysed as:		
Finance income	**11,821**	12,398
Finance costs	**(17,641)**	(27,423)
	(5,820)	(15,025)

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

12. Provision for Liabilities

	Half year 2011 €'000
Six months ended 25 March 2011	
At beginning of period	**12,247**
Utilised in period	**(1,665)**
Created in period	**738**
Currency translation differences	**(158)**
Unwind discount	**74**
At end of period	**11,236**

	25 Mar 2011 €'000	24 Sep 2010 €'000
Analysed as:		
Non-current liabilities	**3,830**	3,950
Current liabilities	**7,406**	8,297
	11,236	12,247

The significant provisions are as follows:

Remediation and closure
Remediation and closure obligations and related costs arise primarily from the Ingredients & Property segment and have been established to cover either a statutory or constructive obligation of the Group to carry out remedial works. Remediation amounts relate to irrevocable commitments in respect of programmes commenced and committed to in the Ingredients & Property segment, primarily related to the exit from sugar processing. A significant portion of the balance provided is not contracted and accordingly the timing of payments is subject to a degree of uncertainty. Substantially all costs are expected to have been incurred in the next twelve months.

Deferred contingent consideration
Deferred contingent consideration at 24 September 2010 represented the estimated amount payable in respect of the acquisition of the minority interest of Trilby Trading Limited. This was paid during the period ended 25 March 2011. Deferred contingent consideration at 25 March 2011 represented the estimated amount payable in respect of the acquisition of On A Roll Sales Inc. as set out in Note 17.

Other
Other provisions primarily consists of (a) provisions for leasehold dilapidations in respect of certain leases, relating to the estimated cost of reinstating leasehold premises to their original condition at the time of the inception of the lease as provided for in the lease agreement, and (b) provision for onerous contractual obligations for properties held under operating lease. It is anticipated that these will be payable within five years.

13. Contingencies

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 Group has provided security to the Government of Ireland for the purpose of facilitating the receipt of restructuring aid as provided for in Commission Regulation (EC) No 968/2006. The security is in the form of a bank guarantee and amounts to €9.4 million (24 September 2010: €9.4 million). The guarantee becomes payable if the Group does not complete its commitments under its restructuring plan, at which time, that part of the aid granted in respect of the commitment concerned can be recovered from the Group. The Group continues to perform its commitments under its restructuring plan and accordingly, in the opinion of the Directors, the likelihood of repayment of any restructuring aid received is considered to be remote, therefore no provision has been recognised in the Group Condensed Financial Statements in respect of this guarantee.

As part of the agreement to dispose of Greencore Malt, the Group provided a bank guarantee to Axéréal Union de Coopératives Agricoles for an amount of €10.0 million to guarantee the performance by the Group of its payment obligations in respect of any breach of warranty, indemnity or covenant under the disposal agreement in respect of any claim made by Axéréal Union de Coopératives Agricoles up to 26 March 2014.

14. Discontinued Operations and Disposal of Undertakings

The Group disposed of its interest in its malt business, its bottled water business and its Dutch based convenience foods business in 2010. These operations were considered, in management's judgement, to be discontinued operations in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. The respective profits and losses on the disposal of these businesses have been recognised within discontinued operations in the period in which the disposal occurred. The details of the profits and losses on the disposal of the Malt business and the bottled water business are set out in Note 5. A loss on disposal of the Dutch based Convenience Foods business of €4.5 million was recognised in the Income Statement of the Group Financial Statements for the year ended 24 September 2010.

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

	Half year 2011 €'000	Half year 2010 €'000
Revenue	-	125,526
Cost of sales	-	(92,030)
Operating costs, net	-	(24,219)
Operating profit	-	9,277
Finance income and costs (net)	-	297
Profit before taxation and exceptional items	-	9,574
Taxation on profit before exceptional items	-	(1,648)
Result from discontinued operations before exceptional items	-	7,926
Exceptional items (Note 5)	-	8,521
Result from discontinued operations	-	16,447

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

14. Discontinued Operations and Disposal of Undertakings *(continued)*

	Half year 2011 €'000	Half year 2010 €'000
Cash flows of Discontinued Operations		
Profit before taxation and exceptional items	-	9,574
Finance income and costs (net)	-	(297)
Operating profit – discontinued (pre-exceptional)	-	9,277
Depreciation	-	3,628
Amortisation of intangible assets	-	53
Amortisation of government grants	-	(47)
Difference between pension charge and cash contributions	-	(459)
Working capital movement	-	(29,931)
Other movements	-	26
Net cash outflow from operating activities before exceptional items	-	(17,453)
Cash inflow related to exceptional items	-	5,595
Tax paid	-	(886)
Net cash outflow from operating activities	-	(12,744)
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(2,090)
Net cash outflow from investing activities	-	(2,090)
Net decrease in cash and cash equivalents	-	(14,834)

15. Retirement Benefit Schemes

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

The principal actuarial assumptions are as follows:

	25 Mar 2011	24 Sep 2010
Rate of increase in pension payment	**0%-3.30%**	0%-3.00%
Discount rate	**5.40%-5.60%**	4.90%-5.20%
Inflation rate	**1.90%-3.30%**	1.80%-3.00%

The financial position of the schemes was as follows:

	25 Mar 2011 €'000	24 Sep 2010 €'000
Total market value of assets	**380,474**	381,376
Present value of scheme liabilities	**(482,009)**	(499,280)
Deficit in schemes	**(101,535)**	(117,904)
Effect of paragraph 58(b) limit	**(645)**	(538)
Net deficit in schemes	**(102,180)**	(118,442)
Deferred tax asset	**23,354**	27,644
Net liability	**(78,826)**	(90,798)

16. Subsequent Events

Subsequent to the period end, the Group completed a refinancing of its bank debt facilities. New facilities totalling €319 million, with a maturity date of May 2016, will replace existing facilities of €324 million with a maturity of April 2012.

17. Acquisition of Undertakings

On 7 December 2010, the Group acquired a 100% interest in On A Roll Sales Inc. ("On A Roll"), a manufacturer of fresh sandwiches based in Brockton, south of Boston, Massachusetts. The Group obtained control of On A Roll by way of asset purchase. This acquisition provides an additional revenue stream to Greencore USA's Food to Go category and complements our existing businesses in Newburyport and Cincinnati.

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

	Fair value €'000
Assets	
Intangible assets	**8,147**
Property, plant and equipment	**488**
Inventory	**404**
Trade and other receivables	**879**
Total assets	**9,918**
Liabilities	
Trade and other payables	**(1,413)**
Total liabilities	**(1,413)**
Net assets acquired	**8,505**
Goodwill	**5,087**
Total enterprise value	**13,592**
Satisfied by:	
Cash payments	**13,188**
Cash acquired	**(284)**
Net cash outflow	**12,904**
Deferred consideration	**688**
Total consideration	**13,592**

The fair values of the assets acquired have been determined provisionally as at 25 March 2011 and may be subject to change in the Group Financial Statements for the year ended 30 September 2011 as the Group has yet to finalise the fair value of all the net identifiable assets acquired.

The principal factors contributing to the recognition of goodwill on this business combination is the expected realisation of cost savings and operational synergies through the combination of the activities of On A Roll with the existing operations in the Group. The total amount of goodwill recognised of €5.1 million is expected to be deductible for tax purposes.

The deferred consideration is revenue related and payable one year following the acquisition date dependent on the performance of On A Roll for the year ended 30 September 2011. The maximum amount payable under the acquisition agreement has been provided for based on management's judgement of the expected performance of On A Roll for this period. There is no minimum amount payable.

As part of the acquisition, the Group acquired trade receivables with a fair value of €0.841 million. The gross contractual amount receivable was €0.845 million and management's estimate of the contractual cash flows not expected to be collected was €0.004 million.

Transaction costs of €0.5 million associated with the acquisition of On A Roll are presented as an exceptional item within operating costs as set out in Note 5.

17. Acquisition of Undertakings (continued)

The post acquisition impact of On A Roll was to increase Group revenue for the financial period by €5.9 million. The impact on Group profit for the financial period was not material.

If the acquisition date of On A Roll was at the beginning of the period, the Group revenue for the financial period would have been €444.8 million. The profit of the Group for the financial period determined as though the acquisition date of On A Roll had been the beginning of the period would not be materially different.

The principal intangible assets acquired were customer related intangible assets amounting to €8.0 million.

18. Constant currency calculations

Constant currency calculations are performed by retranslating current year income statement revenue and profit of pound sterling and US dollar functional currency businesses to euro using the average exchange rate that was applicable to the prior comparative period financial statements. The average GBP/EUR exchange rate for the first half of 2011 was 0.857 (2010: 0.888) and the average USD/EUR exchange rate for the first half of 2011 was 1.361 (2010: 1.415).

19. Information

Copies of the Group Condensed Financial Statements for the half year ended 25 March 2011 are available for download from the Group's website at www.greencore.com

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