HALF YEARLY FINANCIAL REPORT
For the half year ended 27 March 2015

greencore

GREENCORE GROUP PLC
INTERIM RESULTS
Good performance led by food to go

19 May 2015

Greencore Group plc, a leading international convenience food business, today issues its interim results for the 26 weeks ended 27 March 2015.

FINANCIAL HIGHLIGHTS

- Group revenue of £639.8m, up 3.2% (as reported) and up 3.9% on a like for like[1] basis
- Convenience Foods revenue of £614.7m, up 4.9% on a like for like[1] basis
- Group operating profit[2] up 7.8% to £40.1m
- Group operating margin[2] of 6.3%, a 30 bps increase
- Adjusted EPS[3] up 8.6% to 7.6p
- Interim dividend of 2.4 pence per share, an increase of 9.1% versus H1 14
- Replacement of the Group's primary bank facility with a five year £300m Revolving Credit Facility extending the weighted average maturity of debt to 4.5 years

STRATEGIC DEVELOPMENTS

- Significant planned increase in capital investment to support customer business wins
- Phase 1 extension of Northampton facility successfully completed and second phase well underway
- Roll out of new product range from extended Jacksonville facility in the US
- New build in Rhode Island completed to plan in late March and now shipping product to key customers

SUMMARY FINANCIAL PERFORMANCE

	H1 15 £m	H1 14 £m	Change (as reported)	Change (like for like[1])
Group revenue	639.8	619.8	+3.2%	+3.9%
Group operating profit[2]	40.1	37.2	+7.8%	
Group operating margin[2]	6.3%	6.0%	+ 30 bps	
Adjusted PBT[3]	33.4	30.6	+9.2%	
Adjusted EPS (pence)[3]	7.6	7.0	+8.6%	
Interim dividend per share (pence)	2.4	2.2	+9.1%	
Net debt	291.4	257.9		
Convenience Foods Division				
Revenue	614.7	587.9	+4.6%	+4.9%
Operating profit[2]	39.3	35.9	+9.5%	
Operating margin[2]	6.4%	6.1%	+30 bps	

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

"The Group delivered good financial and strategic progress in the first half of the year. Our strategy of deepening our leadership, capability, capacity footprint and customer partnerships in the UK and US food to go markets continues to deliver growth, with like for like revenue in that part of our business up 8.7%. The Group has stepped up its capital investment programme in new sites, which will provide a solid platform for growth in the months and years ahead. We carry good momentum into the second half and remain confident in our ability to deliver adjusted EPS growth for the year in line with market expectations."

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[1] References to like for like ("LFL") revenue growth exclude revenue from Ministry of Cake which was sold in May 2014, revenue in the Lettieri's business for the period from October 2014 to February 2015 and are expressed in constant currency.

[2] EBITDA, operating profit and operating margin are stated before exceptional items and acquisition related amortisation. These are non-IFRS measures; IFRS measures are from page 8 onwards.

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

[4] Market / category growth rates are based on Nielsen data for the 26 weeks to 28 March 2015.

Presentation

A presentation of the results for analysts and institutional investors will take place at 8.00am today at The Lincoln Centre, 18 Lincoln's Inn Fields, London, WC2A 3ED.

This presentation can be accessed live through the following channels:

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

Ireland number:	+353 1 246 5603
UK number:	+44 20 3427 1915
Pass code:	3500179#

A replay of the presentation will be available on www.greencore.com. It will also be available through a conference call replay facility, which will be available for one week. To access this replay, please dial:

Ireland replay number:	+353 1 486 0902
UK replay number:	+44 20 3427 0598
Replay code:	3500179#

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About Greencore

- A leading manufacturer of convenience food in the UK and the US
- Strong market positions in the UK convenience food market across food to go, chilled prepared meals, chilled soups and sauces, ambient sauces & pickles, cakes & desserts and Yorkshire Puddings
- A fast growing food to go business in the US, serving both the convenience and small store channel and the grocery channel

SUMMARY

Strategic Development[1]

The vision and strategy of Greencore is to be a fast growing international convenience food leader. The Group is focused on deepening its leadership of the food to go segments in the UK and US as this is where we see the most favourable long-term consumer and channel trends, coupled with attractive economic returns.

Accordingly, the Group has significantly increased capital investment to support growth in food to go in both the UK and US markets. During H1 15, an extension of the sandwich facility in Northampton was successfully commissioned and good progress has been made on the construction of a new production facility adjacent to the existing site which is due to open in spring 2016. In the US, the Group made further progress in scaling up production at the Jacksonville facility which was extended in Q4 14. The scale of this ramp-up has been challenging and resulted in some supply chain disruption in the period. This has now been addressed and weekly production volumes continue to increase in line with plan. In late March, the Group completed the construction of a new facility in Rhode Island. Subsequent to the period end, the Group commenced shipments from this new facility and completed the closure of the Newburyport facility in late April as planned. During the summer, the Group will undertake the transfer of production from the Brockton facility to Rhode Island to enable its closure later in the year. Detailed planning is also under way on a new facility to be built in Washington State to supply a key customer. This project was announced in November 2014 and is due to complete in spring 2016.

The Group's revenue growth continues to be driven by the food to go businesses with combined like for like growth in H1 of 8.7%. While revenue growth has been lower in H1 in the rest of the UK portfolio, these businesses have market-leading positions in their respective categories and continue to play a significant role, offering complementary capabilities to food to go.

Financial and Operating Performance[1,2,3]

The UK grocery retail environment remains difficult with profound changes taking place amongst our customers, together with net price deflation. Our business has continued to trade well despite these challenges given its focus on convenience offerings which continue to exhibit volume growth. Reported Group revenue increased by 3.2% to £639.8m, with like for like revenue growth in Convenience Foods of 4.9%. Operating profit of £40.1m increased by 7.8% versus H1 14 driven by the increase in revenue, continued operational improvements and focus on cost control. Adjusted earnings per share were 8.6% higher at 7.6 pence.

As anticipated, net debt increased to £291.4m at 27 March 2015. This was driven principally by the increase in capital expenditure, seasonal working capital outflow and contract acquisition costs in relation to the new supply agreement in Washington State.

Interim Dividend

The Board of Directors is announcing an interim dividend of 2.4 pence per share, an increase of 9.1% versus H1 14, in line with the growth in adjusted EPS. It remains the Board's intention to increase the total dividend distribution for the financial year in line with the growth in adjusted earnings per share.

OUTLOOK

The Group has performed well in H1 15 despite high levels of change in its core UK grocery retail market. The Group benefits from its exposure to growing convenience food categories and remains focused on delivering exceptional standards for its customers. Financial performance has remained strong as the Group continues to focus on operational efficiency and tight cost management.

The Group has significantly increased capital expenditure in FY15 to deliver new capacity to support committed customer initiatives. Delivery to plan of these major investments remains a key area of focus. Notwithstanding a net deflationary environment and the level of change in the UK grocery market, the Group expects to deliver good revenue growth in H2 15 and we remain confident in our ability to deliver adjusted EPS growth for the year in line with market expectations.

OPERATING REVIEW[1,2,3,4]

Convenience Foods

Revenue and Operating Profit

	H1 15 £m	H1 14 £m	Change (As reported)	Change (Like for like)
Revenue	614.7	587.9	+4.6%	+4.9%
Operating profit	39.3	35.9	+9.5%	
Operating margin	6.4%	6.1%	+30 bps	

Reported revenue in the Convenience Foods division increased by 4.6% to £614.7m. On a like for like basis, revenue was 4.9% ahead with the UK up by 3.6% and the US (despite product exits) up by 14.8%. Growth in both the UK and US was driven by food to go activity. Operating profit increased by 9.5% to £39.3m driven by the increase in revenue, continued operational improvements and focus on cost control.

UK Convenience Foods

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

The retail food to go market continues to exhibit strong growth albeit a little lower than in the prior year. The sandwich category grew by 4.9% during the period while the broader food to go market (sandwiches, snack salads and sushi) grew by 6.0%. Market growth continues to be driven by the convenience store formats of the major retailers.

The Food to Go business grew by 7.0% in the period. This outperformance of the market was driven principally by the addition of new product lines for the principal customer of the Northampton facility. These products are being manufactured in the extension to an existing production facility which was opened as planned during the period. Construction of a new production facility in Northampton adjacent to the existing site is advancing as planned and is due to be commissioned in the spring of 2016.

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

The chilled ready meals market grew by 2.5% in the period whilst our principal sub-category, Italian chilled ready meals, experienced robust growth of 8.9%. The quiche market grew at 0.4% in the period whilst the chilled soup market grew by 3.2%.

The Prepared Meals business grew by 2.4% in the period. Our ready meals activity performed well in the period, ahead of the overall ready meals market due to customer specific activity in Italian meals. Soup also outperformed its market following new product launches. However, quiche sales were lower year on year as one customer moved the manufacture of some lines in house during 2014.

Grocery
The Grocery business groups together our other activities in the UK market. It provides meal components such as cooking sauces, table sauces, pickles and Yorkshire Puddings as well as cakes and chilled desserts. It operates from four facilities and represents approximately 20% of Group revenue.

During the period, the own label cooking sauce market declined by 4.0% although unit volumes were higher. The frozen Yorkshire Pudding market declined by 0.9% while our largest cakes and desserts sub-category, celebration cakes, grew by 3.6%.

Like for like revenue (excluding the Ministry of Cake foodservice desserts business which was sold in May 2014) in the Grocery business declined by 1.2%. The decline was driven by lower year on year cake revenue following the loss of some seasonal lines. The cooking sauces business outperformed its market growing both revenue and unit volumes.

US Convenience Foods

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

During the period, revenues grew by 30.6% on a reported basis and by 14.8% on a like for like basis (excluding Lettieri's for the period October 2014 to February 2015 and in constant currency). Product exits, principally in potato salads and sushi, are estimated to have reduced the like for like sales growth rate by around eight percentage points. Underlying growth was driven principally by the roll out of new breakfast sandwich products with a key customer.

Following the completion of the extension of the Jacksonville facility in Q4 FY14, the business commenced a stock build period. In late Q1 and early Q2 FY15, orders ramped up significantly resulting in supply chain disruption. Customer orders were reduced during the rest of the period in order to re-establish sufficient stock levels. The business has now been stabilised with weekly production levels increasing in line with plan.

The construction of the new facility in Quonset, Rhode Island, was completed during the period and line trials commenced in late March. Subsequent to the period end, production was successfully transferred from Newburyport and the site was closed. Product transfers from Brockton will commence during the summer to enable the site's closure later in the year.

In November 2014, the Group announced that it was acquiring the rights to a supply contract with a key customer in Washington State. The contract will be fulfilled from a new facility which will open in H2 FY16. Planning of the facility, which will provide both production capacity and a product development centre, is being undertaken with its principal customer and is now well advanced.

Ingredients & Property

	H1 15 £m	H1 14 £m	Change Actual Currency	Change Constant Currency
Revenue	25.1	31.9	-21.3%	-14.1%
Operating profit	0.8	1.3	-38.5%	

The Ingredients and Property division represents less than 5% of Group revenue. Constant currency revenue in the period was 14.1% lower than the prior period. The performance was impacted by lower commodity prices for edible oils and lower milk drying negatively impacting demand for oils, together with reduced feed demand following a milder winter. Operating profit was £0.5m lower impacted by the strengthening of sterling against the euro and higher costs related to legacy pension scheme administration.

FINANCIAL REVIEW[2,3]

Revenue and Operating Profit

Revenue in the period was £639.8m, an increase of 3.2% versus H1 14. Group operating profit of £40.1m was 7.8% ahead of the prior year. Operating margin of 6.3% was 30 basis points higher than in H1 14.

The net impact of currency movements in the period was not material.

Interest Payable

The Group's bank interest payable in H1 15 was £7.6m compared to £7.0m in H1 14. This increase was driven principally by higher average net debt in the period and a stronger US dollar versus sterling, together with a higher effective cost of debt on non-bank borrowings. The composition of the charge was £6.7m of interest payable, commitment fees for undrawn facilities of £0.5m and an amortisation charge of £0.4m in respect of facility fees.

Non-Cash Finance Charges/Credit

The Group's net non-cash finance charge in H1 15 was £1.5m (£2.1m charge in H1 14). The change in the fair value of derivatives and related debt adjustments was a non-cash credit of £0.8m (£0.9m credit in H1 14). The Group recognised a credit of £0.2m in respect of the unwind of discount on deferred consideration receivable (H1 14: £0.1m charge). The non-cash pension financing charge of £2.5m was £0.4m lower than the charge in H1 14.

Taxation

The Group's effective tax rate in H1 15 (including the tax impact associated with pension finance items) was 1%, unchanged from H1 14.

The Group's effective tax rate continues to benefit from historic tax losses.

Exceptional Items

The Group recognised an exceptional charge in the period of £0.9m in relation to the start-up of production at the new facility in Quonset, Rhode Island which enables the exit from the facilities in Newburyport and Brockton, Massachusetts.

Earnings per Share

Adjusted earnings of £30.7m in the period were 9.3% ahead of the prior year. Adjusted earnings per share of 7.6 pence were 8.6% ahead of H1 14.

Cash Flow, Net Debt and Refinancing

A net cash outflow from operating activities of £7.3m was recorded compared to an inflow of £18.6m in H1 14. The outflow was primarily due to a greater seasonal working capital outflow than in H1 14 driven by differences in timing of payments to suppliers and inventory build in connection with new business wins. This is expected substantially to reverse in H2.

Capital expenditure of £43.7m was incurred in the period compared to £17.2m in H1 14. The increase was primarily due to the construction of the new production facility in Rhode Island and the extension of the Northampton site.

Interest costs of £7.8m were paid in the period with cash dividends to equity holders of £7.8m.

The Group's net debt at 27 March 2015 was £291.4m, an increase of £79.3m from 26 September 2014. This increase was driven principally by the increase in capital expenditure, seasonal working capital outflow and contract acquisition costs in relation to the new supply agreement in Washington State.

During the period, the Group refinanced its £280m Revolving Credit Facility which was due to mature in May 2016 with a new £300m Revolving Credit Facility. The Group remains well financed with committed facilities at 27 March 2015 of £505m and a weighted average maturity of 4.5 years.

Pensions
The net pension deficit (before related deferred tax) increased to £143.2m at 27 March 2015 from £129.5m at 26 September 2014. The net pension deficit after related deferred tax was £113.9m, an increase of £8.3m from 26 September 2014. The increase in net deficit was driven principally by the continued decline in real discount rates. The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) increased to £430.5m at 27 March 2015 from £395.4m at 26 September 2014. The present value of the total pension liabilities for these schemes increased to £573.7m from £524.9m over the same period.

Notwithstanding the decline in real discount rates, the principal Irish Defined Benefit scheme is now in surplus on an IAS19R basis. An asset of £9.8m has been recognised in the balance sheet in connection with the scheme.

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

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 14 to 17 of the Annual Report and Accounts for the year ended 26 September 2014 issued on 25 November 2014 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

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
18 May 2015

GROUP CONDENSED INCOME STATEMENT
for the half year ended 27 March 2015

		Half Year Ended 27 March 2015 (Unaudited)			Half Year ended 28 March 2014 (Unaudited)		
	Notes	Pre – exceptional £m	Exceptional (Note 5) £m	Total £m	Pre – exceptional £m	Exceptional (Note 5) £m	Total £m
Revenue	3	**639.8**	**-**	**639.8**	619.8	-	619.8
Cost of sales		**(438.3)**	**-**	**(438.3)**	(431.8)	-	(431.8)
Gross profit		**201.5**	**-**	**201.5**	188.0	-	188.0
Operating costs, net		**(161.4)**	**(0.9)**	**(162.3)**	(150.8)	(16.9)	(167.7)
Group operating profit before acquisition related amortisation	3	**40.1**	**(0.9)**	**39.2**	37.2	(16.9)	20.3
Amortisation of acquisition related intangibles		**(4.4)**	**-**	**(4.4)**	(3.6)	-	(3.6)
Group operating profit	3	**35.7**	**(0.9)**	**34.8**	33.6	(16.9)	16.7
Finance income	11	**0.2**	**-**	**0.2**	-	-	-
Finance costs	11	**(9.3)**	**-**	**(9.3)**	(9.1)	-	(9.1)
Share of profit of associates after tax		**0.6**	**-**	**0.6**	0.4	-	0.4
Profit before taxation		**27.2**	**(0.9)**	**26.3**	24.9	(16.9)	8.0
Taxation	6	**(0.3)**	**-**	**(0.3)**	(0.2)	4.4	4.2
Profit for the financial period		**26.9**	**(0.9)**	**26.0**	24.7	(12.5)	12.2
Attributable to:							
Equity shareholders		**26.3**	**(0.9)**	**25.4**	24.0	(12.5)	11.5
Non-controlling interests		**0.6**	**-**	**0.6**	0.7	-	0.7
		26.9	**(0.9)**	**26.0**	24.7	(12.5)	12.2
Earnings per share (pence)							
Basic earnings per share	8			**6.3**			2.9
Diluted basic earnings per share	8			**6.1**			2.8

GROUP CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the half year ended 27 March 2015

	Half Year ended 27 March 2015 (Unaudited)	Half Year ended 28 March 2014 (Unaudited)
Items of income and expense taken directly to equity	**£m**	£m
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on Group defined benefit pension schemes	**(16.0)**	**6.5**
Deferred tax on Group defined benefit pension schemes	**5.5**	**(1.0)**
	(10.5)	**5.5**
Items that may subsequently be reclassified to profit or loss:		
Currency translation adjustment	**9.5**	**(2.6)**
Current tax on currency translation adjustment	**0.2**	**-**
Hedge of net investment in foreign currency subsidiaries	**(11.2)**	**2.5**
Cash flow hedges:		
fair value movement taken to equity	**(8.3)**	**0.1**
transfer to Income Statement for the period	**1.3**	**0.5**
deferred tax on transfer to Income Statement for the period	**0.1**	**(0.1)**
	(8.4)	**0.4**
Net (loss)/profit recognised directly within equity	**(18.9)**	**5.9**
Group result for the financial period	**26.0**	**12.2**
Total recognised income and expense for the financial period	**7.1**	**18.1**
Attributable to:		
Equity shareholders	**6.7**	**17.5**
Non-controlling interests	**0.4**	**0.6**
Total recognised income and expense for the financial period	**7.1**	**18.1**

GROUP CONDENSED BALANCE SHEET
at 27 March 2015

	Notes	**March 2015 (Unaudited)**	March 2014 (Unaudited) As re-presented*	September 2014 (Audited)
		£m	£m	£m
ASSETS				
Non-current assets				
Intangible assets	9	**506.0**	501.0	499.2
Property, plant and equipment	9	**279.3**	223.2	247.0
Investment property	9	**6.8**	29.4	7.0
Investments in associates		**1.1**	1.2	0.9
Other receivables		**12.4**	1.0	3.3
Derivative financial instruments	11	**-**	5.7	5.3
Retirement benefit asset	14	**9.8**	-	-
Deferred tax assets		**75.9**	67.3	70.2
Total non-current assets		**891.3**	828.8	832.9
Current assets				
Inventories		**58.5**	52.2	53.6
Trade and other receivables		**140.2**	120.0	127.3
Derivative financial instruments	11	**10.0**	-	-
Cash and cash equivalents	11	**3.4**	18.8	12.2
Assets held for sale		**-**	15.5	-
Total current assets		**212.1**	206.5	193.1
Total assets		**1,103.4**	1,035.3	1,026.0
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	10	**4.1**	4.0	4.1
Share premium		**186.9**	180.5	185.7
Reserves		**76.8**	74.1	90.4
		267.8	258.6	280.2
Non-controlling interests		**3.2**	4.1	3.4
Total equity		**271.0**	262.7	283.6
LIABILITIES				
Non-current liabilities				
Borrowings	11	**232.5**	280.9	229.5
Derivative financial instruments	11	**19.4**	2.0	6.3
Retirement benefit obligations	14	**153.0**	127.8	129.5
Other payables		**2.3**	2.1	2.4
Provisions for liabilities	12	**3.3**	7.9	3.4
Deferred tax liabilities		**21.0**	20.6	19.5
Government grants		**-**	0.1	-
Total non-current liabilities		**431.5**	441.4	390.6
Current liabilities				
Bank overdraft	11	**1.6**	0.5	-
Borrowings	11	**70.7**	-	0.1
Derivative financial instruments	11	**0.9**	0.2	0.3
Trade and other payables		**305.8**	296.4	323.6
Consideration payable on acquisitions		**-**	0.4	-
Provisions for liabilities	12	**3.6**	6.8	7.2
Current taxes payable		**18.3**	21.4	20.6
Liabilities held for sale		**-**	5.5	-
Total current liabilities		**400.9**	331.2	351.8
Total liabilities		**832.4**	772.6	742.4
Total equity and liabilities		**1,103.4**	1,035.3	1,026.0

* As re-presented to reflect adjustments to provisional fair values recognised in business combinations as set out in Note 30 to the Annual Report for the financial year ended 26 September 2014.

GROUP CONDENSED CASH FLOW STATEMENT
for the half year ended 27 March 2015

	Half year ended 27 March 2015 (Unaudited) £m	Half year ended 28 March 2014 (Unaudited) £m
Profit before taxation	**26.3**	8.0
Finance income	**(0.2)**	-
Finance costs	**9.3**	9.1
Share of profit of associates (after tax)	**(0.6)**	(0.4)
Exceptional items	**0.9**	16.9
Operating profit (pre-exceptional)	**35.7**	33.6
Depreciation	**13.1**	12.5
Amortisation of intangible assets	**5.5**	4.4
Employee share based payment expense	**1.9**	1.4
Difference between pension charge and cash contributions	**(5.7)**	(5.1)
Working capital movement	**(45.4)**	(14.1)
Other movements	**0.4**	(0.1)
Net cash inflow from operating activities before exceptional items	**5.5**	32.6
Cash outflow related to exceptional items	**(4.9)**	(5.6)
Interest paid	**(7.8)**	(8.3)
Tax paid	**(0.1)**	(0.1)
Net cash (outflow)/inflow from operating activities	**(7.3)**	18.6
Cash flow from investing activities		
Dividends received from associates	**0.4**	-
Contract acquisition cost	**(8.8)**	-
Purchase of property, plant and equipment	**(38.5)**	(14.5)
Purchase of investment property	**-**	(0.6)
Purchase of intangible assets	**(5.2)**	(2.1)
Acquisition of undertakings	**-**	(23.0)
Disposal of undertakings	**0.4**	-
Net cash outflow from investing activities	**(51.7)**	(40.2)
Cash flow from financing activities		
Proceeds from issue of shares	**0.1**	0.1
Ordinary shares purchased – own shares	**(9.3)**	(1.9)
Increase in bank borrowings	**66.6**	44.6
(Decrease)/increase in finance lease liabilities	**(0.1)**	0.1
Dividends paid to equity holders of the Company	**(7.8)**	(4.5)
Dividends paid to non-controlling interests	**(0.6)**	-
Net cash inflow from financing activities	**48.9**	38.4
Net (decrease)/increase in cash and cash equivalents	**(10.1)**	16.8
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of period	**12.2**	1.8
Translation adjustment	**(0.3)**	(0.3)
(Decrease)/increase in cash and cash equivalents	**(10.1)**	16.8
Cash and cash equivalents at end of period	**1.8**	18.3

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GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 27 March 2015

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
At 26 September 2014	**4.1**	**185.7**	**107.9**	**(17.5)**	**280.2**	**3.4**	**283.6**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**9.7**	**-**	**9.7**	**(0.2)**	**9.5**
Current tax on currency translation adjustment	**-**	**-**	**-**	**0.2**	**0.2**	**-**	**0.2**
Net investment hedge	**-**	**-**	**(11.2)**	**-**	**(11.2)**	**-**	**(11.2)**
Actuarial loss on Group defined benefit pension schemes	**-**	**-**	**-**	**(16.0)**	**(16.0)**	**-**	**(16.0)**
Deferred tax on Group defined benefit pension schemes	**-**	**-**	**-**	**5.5**	**5.5**	**-**	**5.5**
Cashflow hedges taken to equity	**-**	**-**	**(8.3)**	**-**	**(8.3)**	**-**	**(8.3)**
Cashflow hedges transferred to Income statement	**-**	**-**	**1.3**	**-**	**1.3**	**-**	**1.3**
Deferred tax on cashflow hedges	**-**	**-**	**0.1**	**-**	**0.1**	**-**	**0.1**
Profit for the financial period	**-**	**-**	**-**	**25.4**	**25.4**	**0.6**	**26.0**
Total recognised income and expense for the financial period	**-**	**-**	**(8.4)**	**15.1**	**6.7**	**0.4**	**7.1**
Employee share based payment expense	**-**	**-**	**1.9**	**-**	**1.9**	**-**	**1.9**
Deferred tax on share based payments	**-**	**-**	**-**	**0.3**	**0.3**	**-**	**0.3**
Exercise, lapse or forfeit of share based payments	**-**	**0.1**	**(2.4)**	**2.4**	**0.1**	**-**	**0.1**
Shares acquired by the Employee Benefit Trust	**-**	**-**	**(9.4)**	**0.1**	**(9.3)**	**-**	**(9.3)**
Shares granted to beneficiaries of the Employee Benefit Trust	**-**	**-**	**9.4**	**(9.4)**	**-**	**-**	**-**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust*	**-**	**-**	**10.4**	**(10.4)**	**-**	**-**	**-**
Dividends	**-**	**1.1**	**-**	**(13.2)**	**(12.1)**	**(0.6)**	**(12.7)**
At 27 March 2015	**4.1**	**186.9**	**109.4**	**(32.6)**	**267.8**	**3.2**	**271.0**
At 27 September 2013	4.0	177.3	107.9	(40.7)	248.5	3.5	252.0
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	(2.5)	-	(2.5)	(0.1)	(2.6)
Net investment hedge	-	-	2.5	-	2.5	-	2.5
Actuarial loss on Group defined benefit pension schemes	-	-	-	6.5	6.5	-	6.5
Deferred tax on Group defined benefit pension schemes	-	-	-	(1.0)	(1.0)	-	(1.0)
Cashflow hedges taken to equity	-	-	0.1	-	0.1	-	0.1
Cashflow hedges transferred to Income Statement	-	-	0.5	-	0.5	-	0.5
Deferred tax on cashflow hedges	-	-	(0.1)	-	(0.1)	-	(0.1)
Profit for the financial period	-	-	-	11.5	11.5	0.7	12.2
Total recognised income and expense for the financial period	**-**	**-**	**0.5**	**17.0**	**17.5**	**0.6**	**18.1**
Employee share based payment expense	-	-	2.3	-	2.3	-	2.3
Exercise, lapse or forfeit of share based payments	-	0.1	(3.3)	3.3	0.1	-	0.1
Shares acquired by Employee Benefit Trust	-	-	(2.0)	0.1	(1.9)	-	(1.9)
Shares granted to beneficiaries of the Employee Benefit Trust	-	-	1.1	(1.1)	-	-	-
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust*	-	-	7.3	(7.3)	-	-	-
Deferred tax on share based payments	-	-	-	0.7	0.7	-	0.7
Dividends	-	3.1	-	(11.7)	(8.6)	-	(8.6)
At 28 March 2014	**4.0**	**180.5**	**113.8**	**(39.7)**	**258.6**	**4.1**	**262.7**

* In 2013, the Group converted 3,907,716 treasury shares into ordinary shares of £0.01 each and subsequently transferred these shares to the Employee Benefit Trust at nominal value. These shares were previously held in the own share reserve at a value of £17.8m, which represented the cost of acquisition of the shares on the open market at a price of £4.24 per share. As these shares are granted to the beneficiaries of the Employee Benefit Trust, the related residual amount in the own shares reserve is transferred to retained earnings.

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 27 March 2015

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 26 September 2014	**7.1**	**(15.2)**	**117.0**	**0.8**	**(6.0)**	**4.2**	**107.9**
Items of income and expense taken directly to equity							
Currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**9.7**	**9.7**
Net investment hedge	**-**	**-**	**-**	**-**	**-**	**(11.2)**	**(11.2)**
Cashflow hedges taken to equity					**(8.3)**	**-**	**(8.3)**
Cashflow hedges transferred to Income Statement	**-**	**-**	**-**	**-**	**1.3**	**-**	**1.3**
Deferred tax on cashflow hedges	**-**	**-**	**-**	**-**	**0.1**	**-**	**0.1**
Total recognised income and expense for the financial period	**-**	**-**	**-**	**-**	**(6.9)**	**(1.5)**	**(8.4)**
Employee share based payment expense	**1.9**	**-**	**-**	**-**	**-**	**-**	**1.9**
Exercise, lapse or forfeit of share based payments	**(2.4)**	**-**	**-**	**-**	**-**	**-**	**(2.4)**
Shares acquired by Employee Benefit Trust	**-**	**(9.4)**	**-**	**-**	**-**	**-**	**(9.4)**
Shares granted to beneficiaries of Employee Benefit Trust	**-**	**9.4**	**-**	**-**	**-**	**-**	**9.4**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust	**-**	**10.4**	**-**	**-**	**-**	**-**	**10.4**
At 27 March 2015	**6.6**	**(4.8)**	**117.0**	**0.8**	**(12.9)**	**2.7**	**109.4**
At 27 September 2013	6.2	(18.8)	117.0	0.8	-	2.7	107.9
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	-	-	-	(2.5)	(2.5)
Net investment hedge	-	-	-	-	-	2.5	2.5
Cashflow hedges taken to equity	-	-	-	-	0.1	-	0.1
Cashflow hedges transferred to Income Statement	-	-	-	-	0.5	-	0.5
Deferred tax on cash flow hedges	-	-	-	-	(0.1)	-	(0.1)
Total recognised income and expense for the financial period	-	-	-	-	0.5	-	0.5
Currency translation adjustment	-	-	-	-	-	-	-
Employee share based payment expense	2.3	-	-	-	-	-	2.3
Exercise, lapse or forfeit of share based payments	(3.3)	-	-	-	-	-	(3.3)
Shares acquired by Employee Benefit Trust	-	(2.0)	-	-	-	-	(2.0)
Shares granted to beneficiaries of the Employee Benefit Trust	-	1.1	-	-	-	-	1.1
Transfer to Retained Earnings on grant of shares to beneficiaries of the Employee Benefit Trust	-	7.3	-	-	-	-	7.3
At 28 March 2014	5.2	(12.4)	117.0	0.8	0.5	2.7	113.8

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The Group Condensed Financial Statements, which are presented in sterling and expressed in millions*, 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.

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 26 September 2014 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 Companies Registration Office.

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.

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

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 26 September 2014 and are as set out in those financial statements.

The adoption of new standards and interpretations, as set out in the 2014 Annual Report, that became effective for the Group's financial statements for the year ended 25 September 2015 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 Convenience Foods US. 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 specifies that, where the external revenue of reportable segments exceeds 75% of the total Group revenue, it is permissible to aggregate all other segments into one reportable segment). The Ingredients & Property reportable segment derives its revenue from the distribution of edible oils, molasses and the management of the Group's surplus property assets.

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.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

3. Segment information *(continued)*

	Convenience Foods		Ingredients & Property		Total	
	Half Year 2015 £m	Half year 2014 £m	**Half Year 2015 £m**	Half year 2014 £m	**Half Year 2015 £m**	Half year 2014 £m
Revenue	**614.7**	587.9	**25.1**	31.9	**639.8**	619.8
Group operating profit before exceptional items and acquisition related amortisation	**39.3**	35.9	**0.8**	1.3	**40.1**	37.2
Amortisation of acquisition related intangible assets	**(4.4)**	(3.6)	**-**	-	**(4.4)**	(3.6)
Group operating profit before exceptional items	**34.9**	32.3	**0.8**	1.3	**35.7**	33.6
Exceptional items					**(0.9)**	(16.9)
Group operating profit					**34.8**	16.7
Finance income					**0.2**	-
Finance costs					**(9.3)**	(9.1)
Share of profit of associates after tax			**0.6**	0.4	**0.6**	0.4
Profit before taxation					**26.3**	**8.0**

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 2015 £m	Half year 2014 £m
US restructuring charge	(a)	**(0.9)**	(9.8)
Impairment of investment in Food Service Desserts business	(b)	**-**	(5.8)
Transaction and Integration costs relating to US acquisitions	(c)	**-**	(1.3)
		(0.9)	(16.9)
Taxation on exceptional items	(d)	**-**	2.1
Exceptional tax credit	(d)	**-**	2.3
Total exceptional charge		**(0.9)**	(12.5)

(a) US restructuring charge
The group recognised a £0.9m charge in the period in relation to the start-up of production at the new facility in Quonset, Rhode Island which enables the exit from its facilities in Newburyport and Brockton, Massachusetts. During the prior period, the Group recognised a £9.8m charge related to the exit from its Newburyport and Brockton manufacturing facilities. The charge was composed of a non-cash impairment of fixed assets (principally leasehold improvements) of £6.1m, a non-cash impairment of intangible assets of £2.5m and a provision for site exit costs and redundancy and retention costs of £1.2m.

(b) Impairment of investment in Food Service Desserts business
During the prior period, the Group recognised a non-cash impairment charge of £5.8m on the classification as held for sale of its Food Service Desserts business, Ministry of Cake Limited. This business was later disposed of on 14 May 2014.

(c) Transaction and Integration costs relating to US acquisitions
During the prior period, the Group recognised a charge of £1.3m relating to the transaction and integration costs associated with the acquisition of Lettieri's LLC in the US.

(d) Exceptional tax credit
During the prior period, a tax credit of £2.3m was recognised following on from the final resolution of an overseas tax case and a tax credit of £2.1m was recognised in respect of exceptional charges.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

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 3.25 pence per share was approved at the Annual General Meeting on 27 January 2015 as a final dividend in respect of the year ended 26 September 2014 and a total of £9.0m was paid on 2 April 2015 to those shareholders that did not avail of the Group scrip dividend scheme.

An interim dividend of 2.4 pence (2014: 2.2 pence) per share is payable on 2 October 2015 to the shareholders on the Register of Members as of 5 June 2015. The ordinary shares will be quoted ex-dividend from 4 June 2015. The dividend will be subject to dividend withholding tax, although certain classes of shareholders may qualify for exemption.

The liability in respect of this interim dividend is not recognised in the Balance Sheet of the Group as at 27 March 2015 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 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 shares held in trust in respect of the Group Employee Benefit Trust. The adjusted figures for basic and diluted earnings per ordinary share are stated before exceptional items, pension finance items, acquisition related amortisation, foreign exchange (FX) on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

	Half year 2015 £m	Half year 2014 £m
Profit attributable to equity holders of the Company	**25.4**	11.5
Exceptional items (post tax)	**0.9**	12.5
Fair value of derivative financial instruments and related debt adjustments	**0.7**	(0.6)
FX on inter-company and external balances where hedge accounting is not applied	**(1.5)**	(0.3)
Amortisation of acquisition related intangible assets	**4.4**	3.6
Pension financing	**2.5**	2.9
Tax effect of pension financing and amortisation of acquisition related intangibles	**(1.7)**	(1.5)
Numerator for adjusted earnings per share calculation	**30.7**	28.1

Denominator for earnings per share and adjusted earnings per share calculation

	Half year 2015 '000	Half year 2014 '000
Shares in issue at the beginning of the period	**407,109**	401,369
Shares held by Employee Benefit Trust	**(2,922)**	(4,131)
Effect of shares issued in period	**457**	2,394
Weighted average number of ordinary shares in issue during the period	**404,644**	399,632

	Half year 2015 pence	Half year 2014 pence
Basic earnings per ordinary share	**6.3**	2.9
Adjusted basic earnings per ordinary share	**7.6**	7.0

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 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. Options over 2,738,837 (2014: 9,451,796) 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 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 2015 '000	Half year 2014 '000
Weighted average number of ordinary shares in issue during the period	**404,644**	399,632
Dilutive effect of share options and contingently issuable shares	**9,184**	8,957
Weighted average number of ordinary shares for diluted earnings per share	**413,828**	408,589

	Half Year 2015 pence	Half Year 2014 pence
Diluted basic earnings per ordinary share	**6.1**	2.8
Adjusted diluted basic earnings per ordinary share	**7.4**	6.9

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

During the six month period to 27 March 2015, the Group made £48.2m (2014: £17.1m) of additions to property, plant and equipment, investment property and intangible assets. The Group disposed of certain assets with a carrying amount of £0.2m (2014: £0.8m) for proceeds of £0.2m (2014: £0.8m). In the prior period, the Group recognised a total impairment charge of £14.4m to property, plant & equipment and intangible assets.

At 27 March 2015, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £13.6m (2014: £13.3m).

10. Equity Share Capital

Issued capital as at 27 March 2015 amounted to £4.1m (26 September 2014: £4.1m). During the six month period to 27 March 2015, 387,101 shares (2014: 2,387,446) were issued in respect of the scrip dividend scheme and 149,772 shares (2014: 97,292) 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, 3,190,579 shares were purchased by the Trustees of the Plan during the period ended 27 March 2015 (2014: 971,803). In addition, the Trustees utilised dividend income of £0.06m (2014: £0.08m) to acquire 20,732 (2014: 62,384) shares in the Group with a nominal value of £0.001m. In the period 5,732,827 (2014: 3,046,238) shares with a nominal value of £0.05m (2014: £0.03m) were transferred to beneficiaries of the Deferred Bonus Plan.

During the period, 1,200,804 (2014: 1,008,148) shares, with a fair value of £3.03 per share (2014: £1.86 per share) were awarded under the Deferred Bonus Plan and 1,537,245 (2014: 1,807,712) conditional share awards, with a fair value of £2.83 per share (2014: £1.86 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 2015 £m	Half year 2014 £m
Net finance costs on interest bearing cash and cash equivalents and borrowings	**(7.5)**	(6.9)
Net pension financing charge	**(2.5)**	(2.9)
Interest on obligations under finance leases	**(0.1)**	(0.1)
Change in fair value of derivatives and related debt adjustments	**(0.7)**	0.6
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**1.5**	0.3
Unwind of present value discount on non-current payables and receivables	**0.2**	(0.1)
	(9.1)	(9.1)
Analysed as:		
Finance income	**0.2**	-
Finance costs	**(9.3)**	(9.1)
	(9.1)	(9.1)

Net debt	March 2015 £m	March 2014 £m	September 2014 £m
Cash and cash equivalents (net of bank overdraft)	**1.8**	18.3	12.2
Bank borrowings	**(136.9)**	(117.3)	(68.1)
Private placement notes	**(114.1)**	(104.5)	(105.8)
Non-bank borrowings	**(51.1)**	(57.9)	(54.5)
Finance lease	**(1.1)**	(1.2)	(1.2)
Cross currency interest rate swaps – fair value hedges	**10.0**	4.7	5.3
Group net debt	**(291.4)**	(257.9)	(212.1)

Fair value hierarchy – IFRS 13 (level 2 inputs)*

	March 2015 Level 2* £m	September 2014 Level 2* £m
Assets carried at fair value		
Cross currency swaps – fair value hedges	**10.0**	5.3
	10.0	5.3
Liabilities carried at fair value		
Cross currency swaps – cash flow hedges	**(18.1)**	(5.8)
Interest rate swaps – cash flow hedges	**(0.8)**	(0.2)
Interest rate swaps – not designated as hedges	**(1.1)**	(0.3)
Forward foreign exchange contracts – not designated as hedges	**(0.3)**	(0.3)
	(20.3)	(6.6)

* For definition of level 2 inputs please refer to the 2014 Annual Report

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.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

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

	March 2015		September 2014	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Bank borrowings	**(136.9)**	**(140.7)**	(68.1)	(69.9)
Private placement notes	**(114.1)**	**(121.1)**	(105.8)	(111.1)
Non-bank borrowings	**(51.1)**	**(57.4)**	(54.5)	(60.9)
Finance leases	**(1.1)**	**(1.6)**	(1.2)	(1.6)

During the period, the Group refinanced its £280m Revolving Credit Facility which was due to mature in May 2016 with a new £300m Revolving Credit Facility. On the refinancing date, £30m and $88m were drawn down under the new facility and used to repay the outstanding balance on the old facility.

In the prior period, the Group borrowed €70m in non-bank borrowings and issued $65m in Private Placement Notes maturing in March 2020 and October 2021 respectively.

12. Provisions for Liabilities

	Deferred contingent consideration £m	**Leases £m**	**Remediation and closure £m**	**Total March 2015 £m**
At beginning of period	**1.2**	**6.5**	**2.9**	**10.6**
Utilised in period	**-**	**(2.8)**	**(1.2)**	**(4.0)**
Currency translation differences	**0.1**	**0.1**	**0.1**	**0.3**
At end of period	**1.3**	**3.8**	**1.8**	**6.9**

Analysed as:	**March 2015 £m**	September 2014 £m
Non-current liabilities	**3.3**	3.4
Current liabilities	**3.6**	7.2
	6.9	10.6

The significant provisions are as follows:

Deferred consideration

Deferred contingent consideration relates to the acquisition of H.C. Schau in the US.

Leases

Lease provisions consist 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) provisions for onerous contractual obligations for properties held under operating lease. It is anticipated that these will be payable within six years.

Remediation and closure

Remediation and closure obligations were established to cover either a statutory, contractual or constructive obligation of the Group.

Remediation and closure obligations relate to the closure of Irish Sugar and the exit from sugar processing together with closure obligations related to the exit from the Newburyport and Brockton facilities in the US. A portion of the balance is not contracted and accordingly the timing of payments is subject to a degree of uncertainty.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

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 may incur additional remediation and closure costs in relation to the closure of Irish Sugar and the exit from Sugar Processing. The Group has not provided for these additional costs on the basis that a reliable estimate cannot be made of the amount of the additional obligation.

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 £2.2m 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 2015		September 2014	
	Ireland	**UK**	Ireland	UK
Rate of increase in pension payments	**0%***	**2.90%**	0%*	3.00%
Discount rate	**1.40%**	**3.30%**	2.30%	4.10%
Inflation rate	**1.50%**	**2.90%**	1.65%	3.20%

The financial position of the schemes was as follows:

	March 2015			September 2014		
	Irish Schemes £m	**UK Schemes £m**	**Total £m**	Irish Schemes £m	UK Schemes £m	Total £m
Total market value of assets	**249.7**	**180.8**	**430.5**	229.3	166.1	395.4
Present value of scheme liabilities	**(244.5)**	**(329.2)**	**(573.7)**	(237.6)	(287.3)	(524.9)
Surplus/(deficit) in schemes	**5.2**	**(148.4)**	**(143.2)**	(8.3)	(121.2)	(129.5)
Deferred tax asset	**-**	**29.3**	**29.3**	-	23.9	23.9
Net asset/(liability) at end of the period	**5.2**	**(119.1)**	**(113.9)**	(8.3)	(97.3)	(105.6)
Presented as:						
Retirement benefit asset**	**9.8**	**-**	**9.8**	-	-	-
Retirement benefit obligation	**(4.6)**	**(148.4)**	**(153.0)**	(8.3)	(121.2)	(129.5)

* 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.

15. Information

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

16. 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.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

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 27 March 2015 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 27 March 2015 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	**A.R. Williams**
Chief Executive Officer	Chief Financial Officer
18 May 2015	18 May 2015

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