PREMIER FOODS

Half Year results for 26 weeks ended 3 October 2015

10 November 2015

RETURN TO BRANDED SALES GROWTH IN H1

Brand investment is core to our category strategy

+1.6%	+22%[1]	+8.4%	+22%	
Q2 Branded sales growth	H1 International sales growth	H1 Trading profit growth	H1 Adjusted eps growth	Announcing the Paul Hollywood brand

Clear demonstration of strategy delivery

1 – Constant currency

Alastair Murray
Chief Financial Officer

TRADING PROFIT INCREASED 8.4%

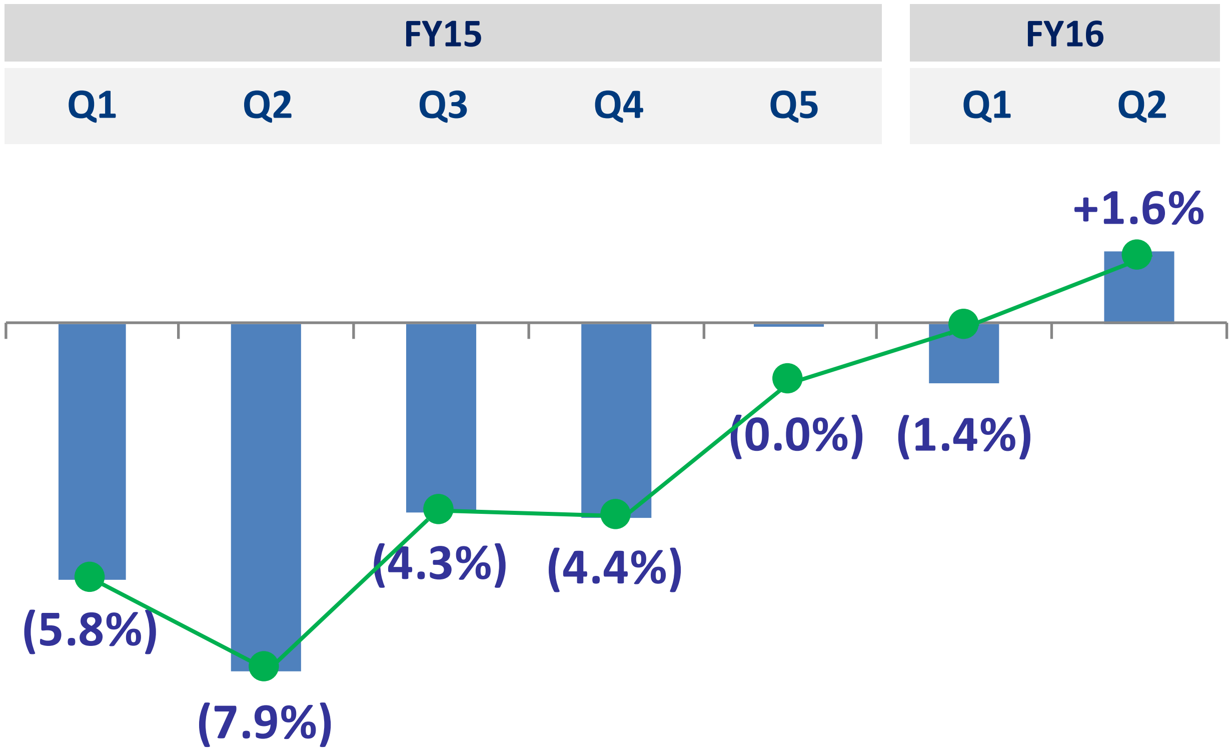
Up 2.4% excluding timing of consumer marketing

£m	FY16 H1	FY15 H1	Change (%)	Q2 Change (%)
Branded sales	**307**	**307**	**+0.1%**	**+1.6%**
Non-branded sales	34	33	+3.7%	+10.6%
Total sales	**341**	**340**	**+0.4%**	**+2.4%**
Divisional contribution	**68**	**65**	**5.1%**	
Group & corporate costs	(17)	(18)	+3.3%	
Trading profit	**51**	**47**	**+8.4%**	
Trading profit %	14.8%	13.7%	+1.1ppt	
Trading profit ex Consumer marketing	*64*	*62*	*+2.4%*	

- Divisional contribution increase due to improved performances across all business units
- Group & corporate costs slightly lower in H1 but expected to remain broadly flat going forward
- Timing of consumer marketing more focused on major quarter 3 trading period

RETURN TO BRANDED SALES GROWTH IN Q2

Demonstrates the strategy is working



- Trend adjusted for effect of early Easter in 2015

FY15 Q1-Q4 trends re-stated to reflect commercial costs re-alignment

GROCERY

£m	FY16 H1	FY15 H1	H1 Change (%)	Q2 Change (%)
Branded sales	226	225	+0.6%	+3.1%
Non-branded sales	21	22	(2.4%)	+5.6%
Total sales	**247**	**247**	**+0.3%**	**+3.3%**
Divisional contribution	**61**	**60**	**+1.2%**	
Divisional contribution %	24.6%	24.4%	+0.2ppt	

- Branded sales momentum built during the period; Q2 branded sales up +3.1%
- Non-branded sales increase due to desserts business wins
- International sales also consolidated in Grocery business
- Divisional contribution increased +1.2% due to improved trading performance

SWEET TREATS

£m	FY16 H1	FY15 H1	H1 Change (%)	Q2 Change (%)
Branded sales	80	81	(1.3%)	(2.6%)
Non-branded sales	14	12	+15.2%	+18.7%
Total sales	**94**	**93**	**+0.8%**	**+0.2%**
Divisional contribution	**7**	**5**	**54.2%**	
Divisional contribution %	7.8%	5.2%	+2.6ppt	

- Branded sales in Q2 lower due to promotional phasing and cycling major Mr. Kipling relaunch in prior year; expected to grow mid single digit in Q3
- Non-branded sales growth better than expected due to contract wins across a number of customers and channels
- Increased volumes, automation and higher utilisation driving improved divisional contribution performance

OPERATING PROFIT

£m	FY16 H1	FY15 H1
Underlying business Trading profit	**51**	**47**
Less: previous disposals	(1)	(1)
Continuing operations Trading profit	**50**	**46**
Amortisation of intangible assets	(19)	(19)
Foreign exchange fair value movements	1	(0)
Restructuring costs relating to disposal activity	(2)	(4)
Net interest on pension and administration costs	(7)	(14)
Loss on disposal of businesses	-	(6)
Impairment of goodwill and tangible assets	-	(16)
Operating profit/(loss)	**23**	**(13)**
Operating profit before impairment and loss on disposal of business	**23**	**9**

- Operating profit improves £36m due to non-repeat of loss on disposal and impairments from prior year
- Net interest on pension costs due to lower opening pension deficit

ADJUSTED EARNINGS PER SHARE

Significantly ahead of prior year

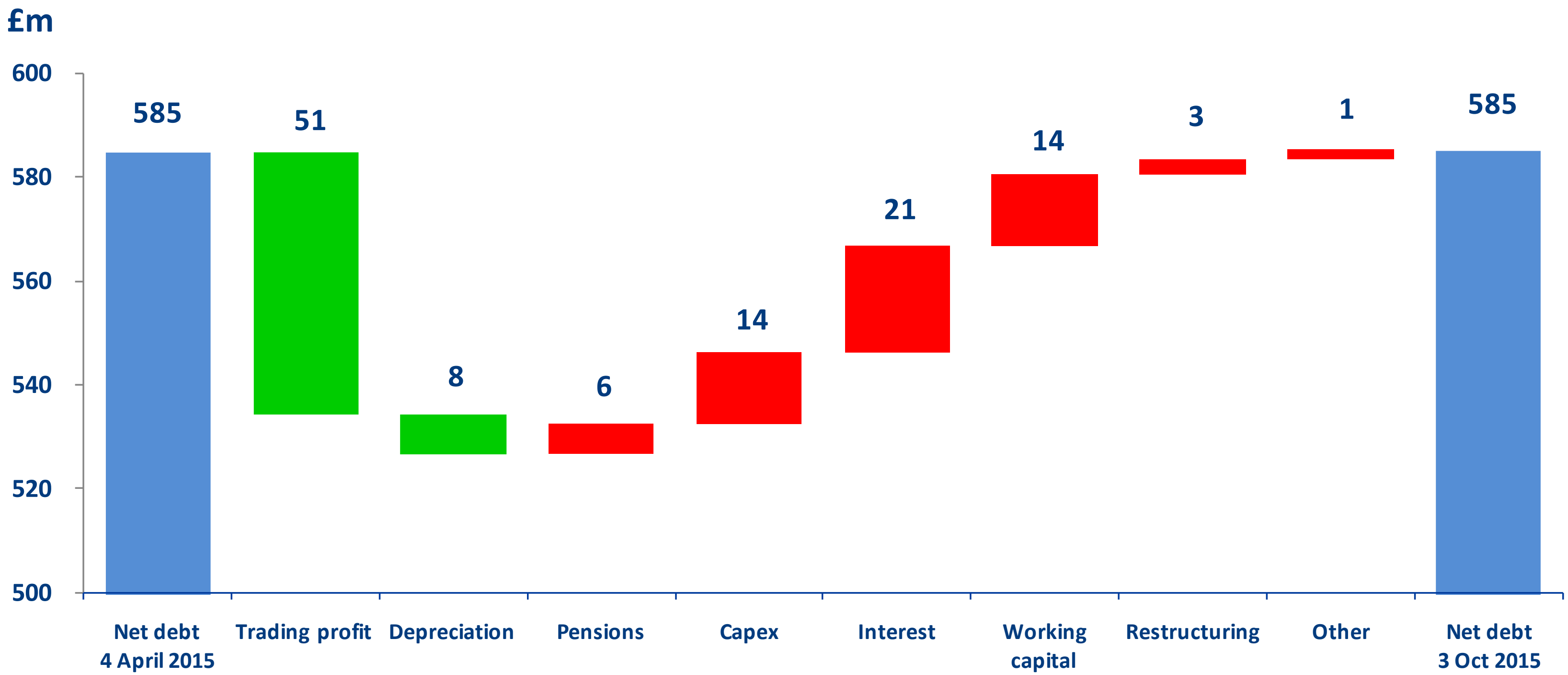
£m	FY16 H1	FY15 H1	Change (%)
Trading profit[1]	**51**	**47**	**8.4%**
Net regular interest	(23)	(24)	4.7%
Adjusted PBT	**28**	**23**	**21.6%**
Notional tax @ 20.0%/ 21.0%	(6)	(5)	(15.9%)
Adjusted earnings	**22**	**18**	**23.2%**
Weighted average shares in issue (million)	825.7	817.2	1.0%
Adjusted earnings per share (pence)	**2.7p**	**2.2p**	**21.9%**

- Adjusted PBT up +21.6% due to Trading profit growth and slightly lower interest in H1
- Issued share capital of 825.7m in FY15/16

1 – Pro forma Trading profit, excludes impact of joint ventures entered into

NET DEBT IN LINE WITH EXPECTATIONS

Stronger cash flows expected in H2 reflecting seasonality



- Net debt in line with expectations; expected H2 cash inflows reflect seasonality of business
- Working capital outflow due to stock build; expected to partly unwind in H2

IMPROVED PENSION DEFICIT

Combined schemes includes RHM surplus offset by Premier Foods deficit; lower deficit due to increased discount rate

IAS19 Accounting valuation (£m)	3 October 2015	4 April 2015
Assets	4,118	4,248
Liabilities	(4,151)	(4,460)
Deficit	**(33)**	**(212)**
Deficit net of deferred tax (Tax @ 20.0%/21.0%)	**(26)**	**(167)**
Discount rate	3.70%	3.30%
Inflation rate (RPI)	3.10%	3.00%

- Reduction in deficit principally reflects liability reduction due to discount rate increase from 3.3% to 3.7%
- Deficit reflects RHM surplus of £383m offset by Premier schemes deficit of £416m
- Pension deficit cash contributions fixed until 2019
- NPV of post tax deficit contributions per agreed schedule is c.£390m

FOCUSED ON ORGANIC DE-LEVERAGING

FY16 guidance	**£m**
Working capital	Neutral to slightly negative
Depreciation	c.£16m
Capital expenditure	c.£25m
Interest – cash	£40-£43m
Interest – P&L	c.£45m
Tax – cash	Nil
Tax – notional P&L rate	20.0%
Pension deficit contributions	£6m
Pension administrative & PPF levy cash costs	£8-£10m
Restructuring costs	c.£5m

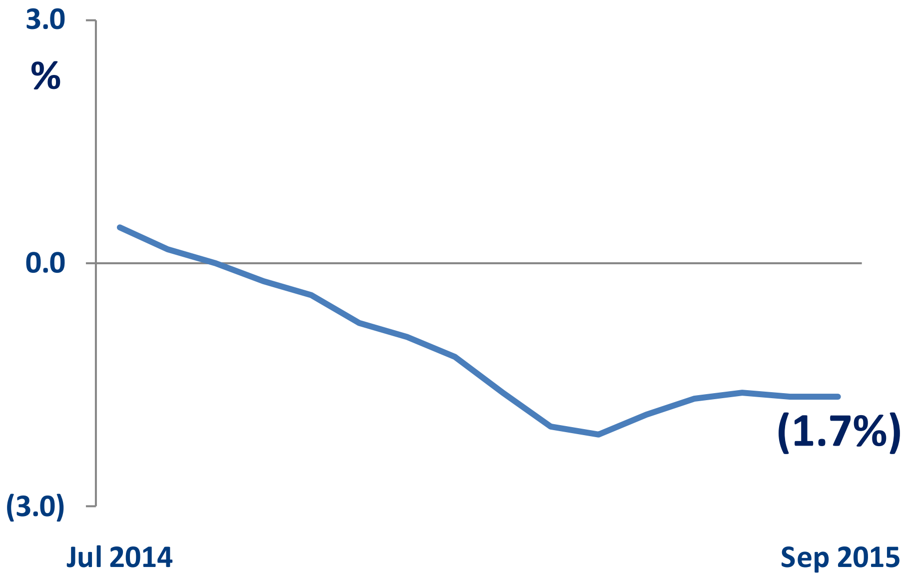
- Capex programme expected to deliver strong payback cost release projects
- Cash tax expected to be nil over medium term
- Pension administrative & PPF cash costs reflected in Operating profit but not Trading profit

Gavin Darby
Chief Executive Officer

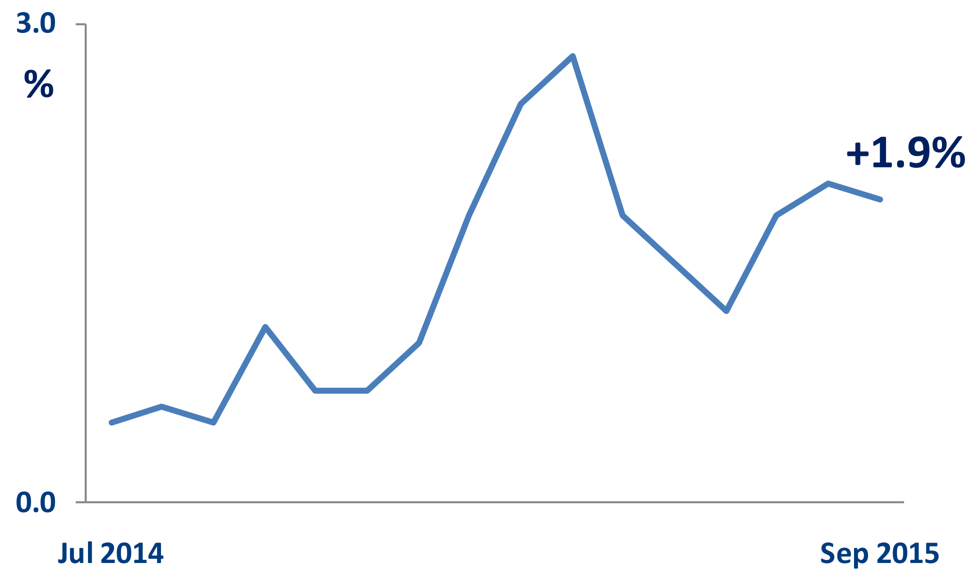
INDUSTRY BACKDROP IS WELL DOCUMENTED

Grocery volume growth momentum while deflation persists

Inflation/(Deflation)



Volume

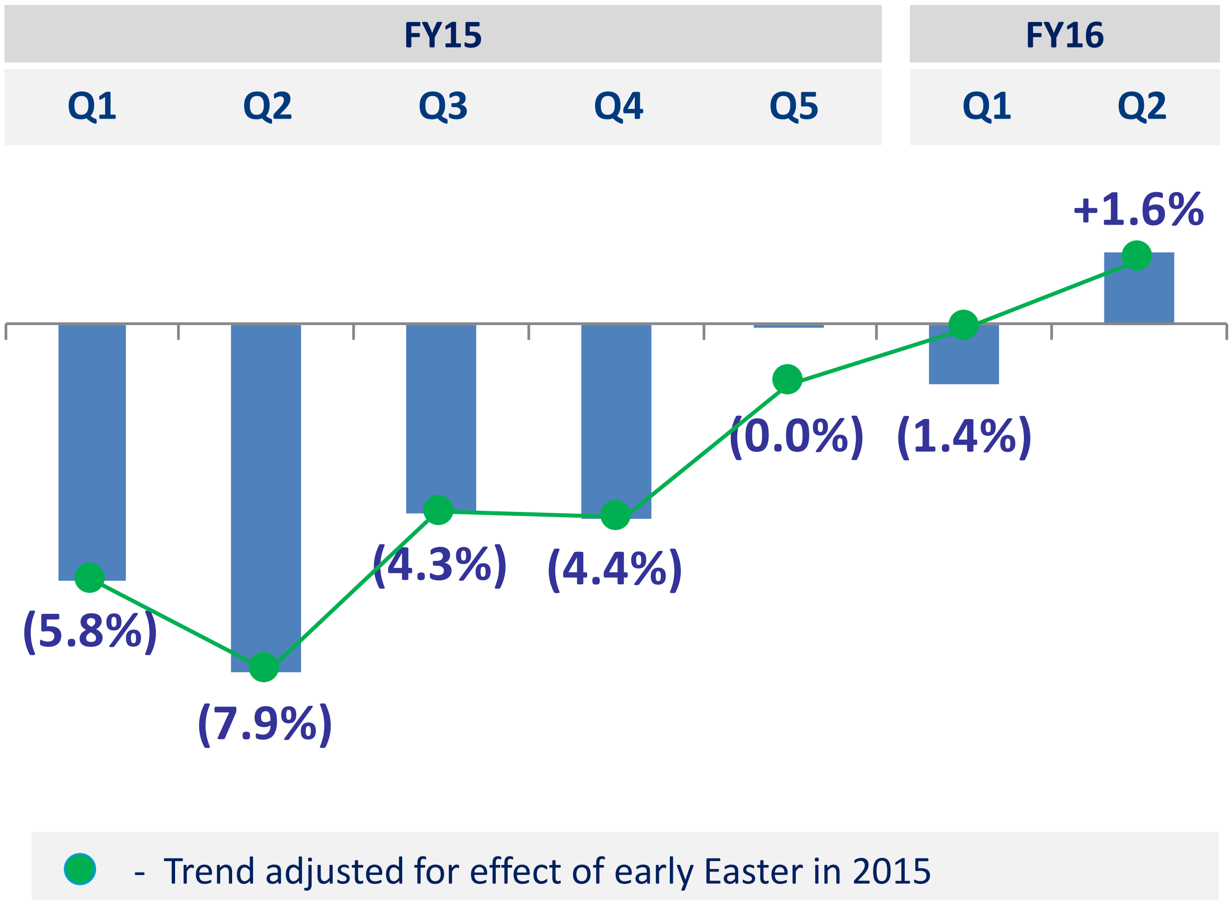


- Market volume growth now prevalent for c. twelve months
- Deflationary environment evident across broad range of categories

Source: Kantar Worldpanel , Total Grocery 12 w/e 13 September 2015

RETURN TO BRANDED SALES GROWTH IN Q2

Demonstrates the strategy is working



FY15 Q1-Q4 trends re-stated to reflect commercial costs re-alignment

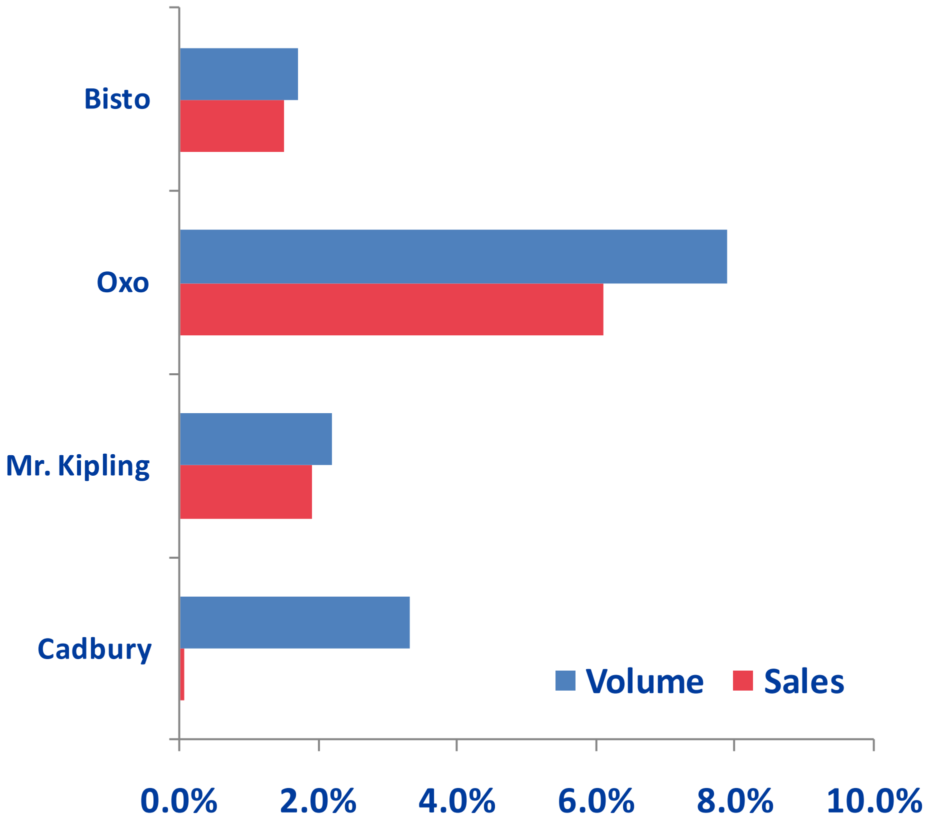
WE CONTINUE TO DELIVER CATEGORY GROWTH

		Category	Volume	Sales	Share
Flavourings & Seasonings	Bisto	+1.6%	+8%	+5%	+0.9ppt
	OXO		+1%	+3%	+0.2ppt
Cake	Mr Kipling	+2.0%	+15%	+9%	+1.2ppt
	Cadbury		+14%	+11%	+0.6ppt
Total Categories		+1.2%	+5%	+2%	+0.2ppt

Source: Kantar Worldpanel, 52 w/e 13 September 2015

DEMONSTRABLE RETURN ON MARKETING & INNOVATION

FY16 H1
Volume & Sales growth



Household penetration[1]

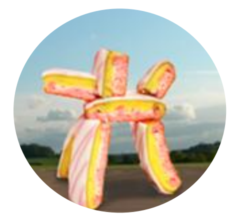
+1.7ppts

+0.5ppts

+4.1ppts

+4.7ppts

Marketing & Innovation Programme

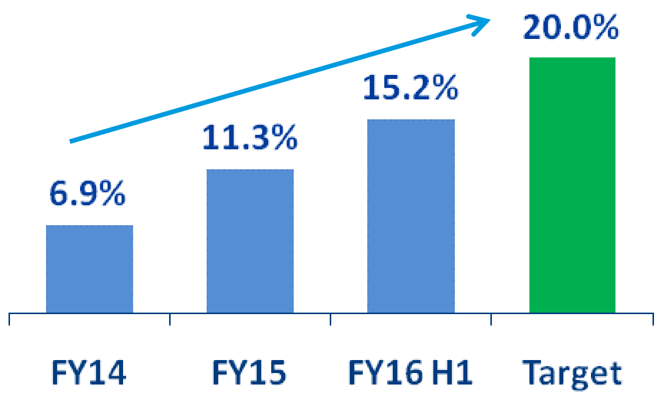


1 - Kantar Worldpanel, 52 w/e 13 September 2015

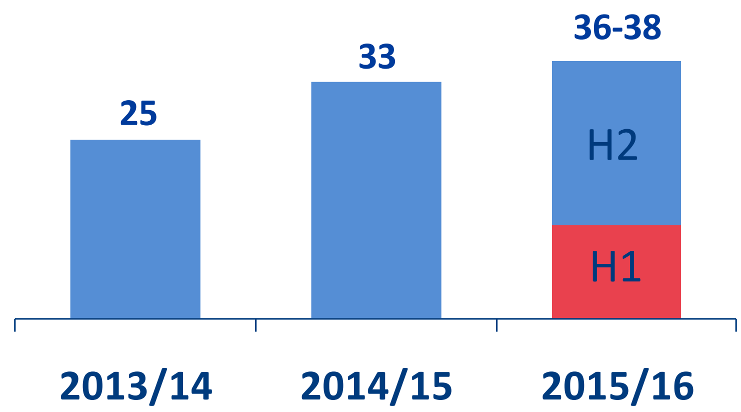
INNOVATION AND BRAND INVESTMENT

Doubling of innovation rate since FY14; marketing H2 focused

Sales from innovation



FY16 Consumer marketing £36-38m



Source: IRI, 52 w/e 3 October 2015

UTILISING A BROAD SUITE OF MARKETING TOOLS

Increased media efficiency and targeted marketing

Increased TV efficiency

- Improved cost per TVR
- Testing day-time strategy (Homepride)
- Utilising econometric data to drive ROI

Sampling

- 1 million Bisto ‘Made Simple’
- 250,000 Oxo Herbs & More
- 300,000 Cadbury Amaze Bites

Partnership

- 13 million reach across print & digital
- Bisto & Oxo 6 month partnership deal
- BBC GoodFood show attendance

Sponsorship

- Loyd Grossman 4 month Food Network sponsorship
- 5 million reach
- Targets ‘Modern Foodies’

THE LATEST BISTO TOGETHER PROJECT

Spare Chair Sunday: Campaign to unite communities

bloggers

Aah! BISTO

Spare Chair Sunday

LBC 97.3FM

1458 Lyca radio

BBC RADIO OXFORD

CONTACT THE ELDERLY

BAUER

PREMIUMISATION BUILDING ACROSS PORTFOLIO

Superior products based on consumer needs allows premium pricing

	Ambrosia	Batchelors	Mr Kipling
			
Premium /serving %	+28%	+25%	+107%

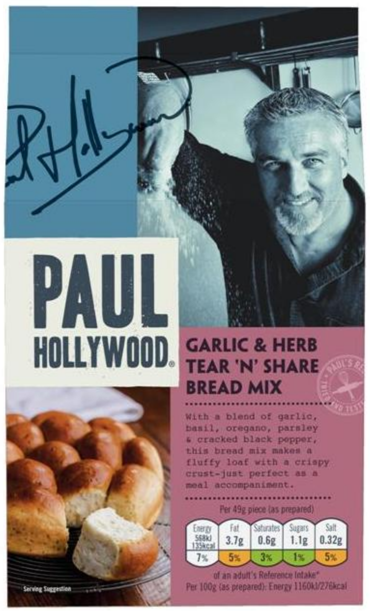
ACCELERATED GROCERY INNOVATION

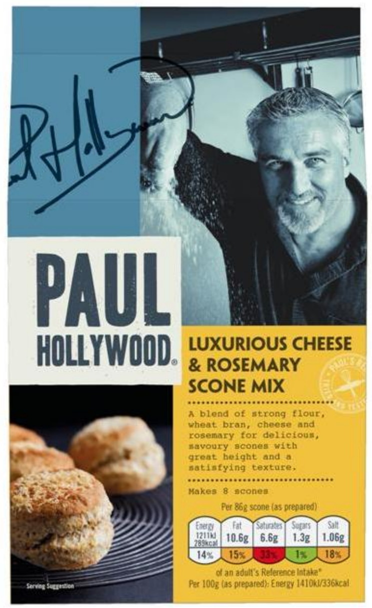
Rooted in deep consumer insights

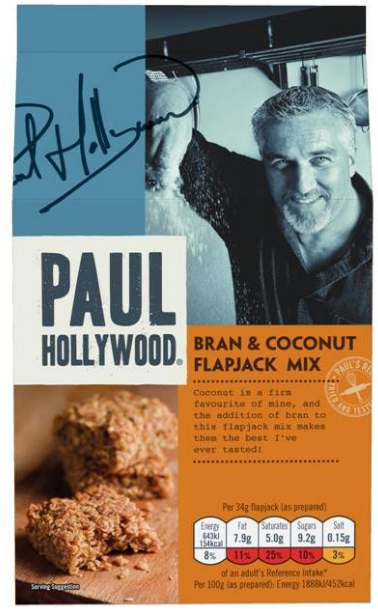
Convenience	Foodieness	Indulgence	Health
• Busy lives • Cooking times reduced • Home-made, made easy	• Wet vs dry formats • Scratch cooking • Real ingredients	• Quality • Permissible treats • Delicious ingredients	• Reduced salt/sugar variants • Improved ingredient profile

PAUL HOLLYWOOD - FIRST NEW BRAND IN 20 YEARS

Exciting new partnership to revitalise Homebaking category







- Homebaking category worth £387m[1] per annum
- 5th category for Grocery business - an historically under-invested category
- Unique range of 12 bread, savoury and sweet baking mixes for Q4 launch
- Reflects Paul Hollywood vision to make artisanal baking more accessible
- Marketing plans for existing portfolio unaffected by new partnership

1 – Kantar Worldpanel, 52 w/e 16 August 2015

MAJOR SWEET TREATS INNOVATION PROGRAMME

Rooted in deep consumer insights

Togetherness	Reward	Snacking	Nutrition
• Care and share • Shared indulgence	• End of day reward • Lunchtime treat • Mood lift • Casual munching	• Quick top up • Resourceful snack • Sweet finish	• Sustained energy • Good start to the day • Simple goodness

SWEET TREATS DEVELOPMENT

Move to a higher margin, multi-channel business progressing well

Margin development	Retailer brand	Cake on the go	Capex
Double-digit DC margin % accelerated	H1 sales +15.2%		
1. DC margin 7.8% in H1 2. Medium term target of double-digit DC margin expected to be achieved in FY15/16	1. Positive benefits from improved asset utilisation 2. Expect further retailer branded sales growth in FY15/16	1. Recent capex provides pack size flexibility 2. Volume & margin per slice accretive 3. Plan accelerated	1. Major £7m automation programme at Stoke cake bakery completed 2. Benefits now flowing through

SWEET TREATS - HEALTH & NUTRITION

Cake in Context

- Consumers view cake as a treat
- Sugar has important structural function as well as sweetness
- Sugar replacement technologies at early stage of development

106 calories

140 calories

230 calories

Positive Approach

- Reformulating to reduce calories and sugar where technologically possible and without compromising taste (e.g. Milkshake slices)
- Introducing calorie caps on individual cakes
- Investing in portion controlled Snack Pack format
- Industry pioneer on front of pack traffic light nutrition labelling
- Wholesome and nourishing ingredients in new product development
- Investing in R&D resource to manage increased nutritional focus

INTERNATIONAL SALES UP 22%[1] IN H1

Australia strong growth; USA exciting cake trial; people investment

Australasia

+74%

H1 Sales growth

coles Woolworths

Increased listings

Sharwood's

Mr. Kipling

Cadbury

USA

1. Exciting new cake trial with major retailer in USA
2. Apple, Fruit and Mississippi Mud Pies in 250 stores
3. Sharwood's double-digit sales growth and market share gains

People

9 → 27

- Significant increase in team since 2014
- Most recruited over last 6 months

1 – Constant currency, including Ireland

IRELAND SALES UP 7.5%[1] IN H1

Ireland growing strongly and ahead of a flat market

Growing ahead of the market[2]

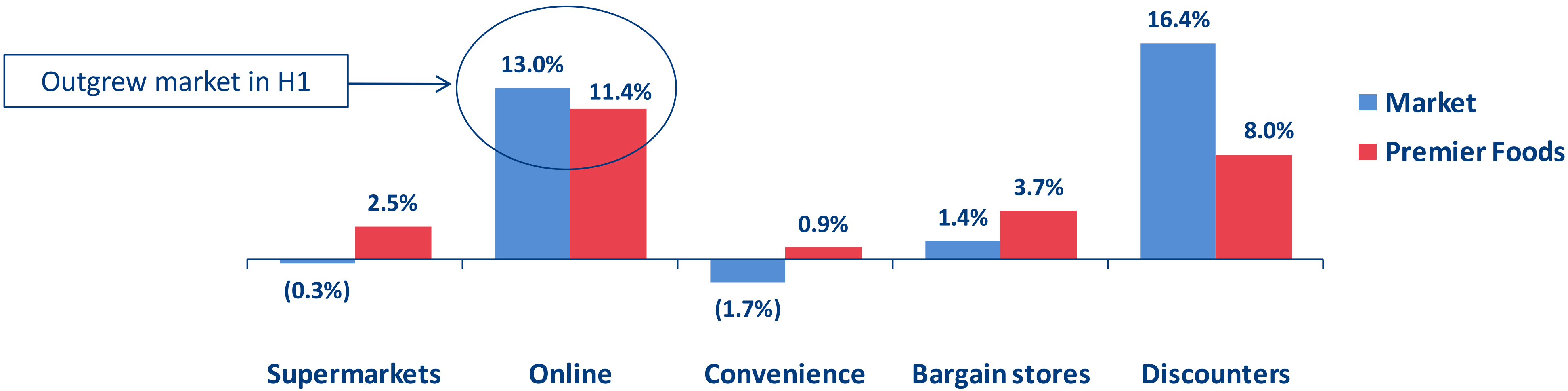
+7.5%[1]

Q2 Sales growth

Q3 TV advertising

1 – Constant currency, 2 – 52 w/e September 2015 AC Nielsen and Kantar Worldpanel

DELIVERING GROWTH IN ALL CHANNELS



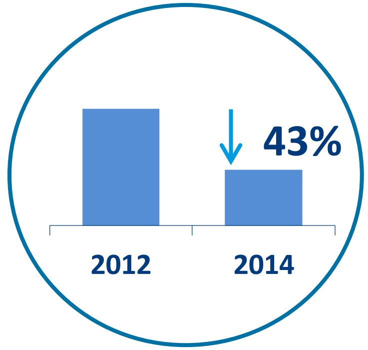
	Supermarkets	Online	Convenience	Bargain stores	Discounters
Growth ahead of market	✓	✗	✓	✓	✗
Market size (£m)	2,214	208	314	176	233

Source – Kantar Worldpanel, 52 w/e 13 September 2015; Premier Foods discounters growth includes estimate for Non-branded

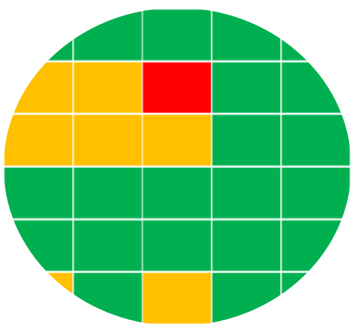
CATEGORY REVIEW DYNAMICS

Our category strategy fosters strong customer partnerships

Market leading positions



SKU reduction programme



Category captaincy

Innovation programme

=

Well placed to work in close partnership with major customers

PEOPLE STRATEGY PROGRESSING WELL

Attracting high calibre senior talent; employee survey results

Recent senior management recruits

- Grocery Finance Director — General Mills
- Grocery Operations Director — British American Tobacco
- Sweet Treats Marketing Director — Unilever
- International Sales Director — P&G
- Brand Director Quick Meal Solutions & Soups — Mars
- Brand Director Cooking Sauces — P&G
- Brand Director Desserts & Homebaking — Reckitt Benckiser
- Grocery Insights Director — Reckitt Benckiser

Employee survey

84%

High participation

+7ppts

Employee engagement

EXCITING INNOVATION PROGRAMME FOR H2

Rooted in deep consumer insights

Grocery

Sweet Treats

SUMMARY

- Branded sales growth +1.6% in Q2
- Trading profit increase +8.4% in H1
- International results encouraging
- Our investment strategy is delivering

OUTLOOK

- Expect Group Branded sales to be positive in Q3, with Sweet Treats anticipated to perform more strongly than Grocery
- FY16/17 sales outlook expected to be in line with Medium term branded sales growth guidance of 1-2%
- Sweet Treats DC% double-digit margin target to be achieved a year early in FY15/16
- Profit expectations for year unchanged
- Ongoing focus on brand investment continues; 7 brands on TV in FY15/16
- Net debt to reduce significantly in FY15/16

Q & A

NEW
aah! BISTO
ROAST
Chicken
NEW
aah! BISTO
Rich
Gravy Paste
MADE WITH
REAL MEAT JUICES
ROAST
Beef

Appendix

NEW
aah! BISTO
Rich Gravy Paste
MADE WITH REAL MEAT JUICES
ROAST Chicken
NEW
aah! BISTO
Rich Gravy Paste
MADE WITH REAL MEAT JUICES
ROAST Beef

CAUTIONARY STATEMENT

Certain statements in this presentation are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Please note that any disclosures or statements referring to pro forma results provided in this presentation have not been subject to audit or review by the Company's auditors.

DEFINITIONS

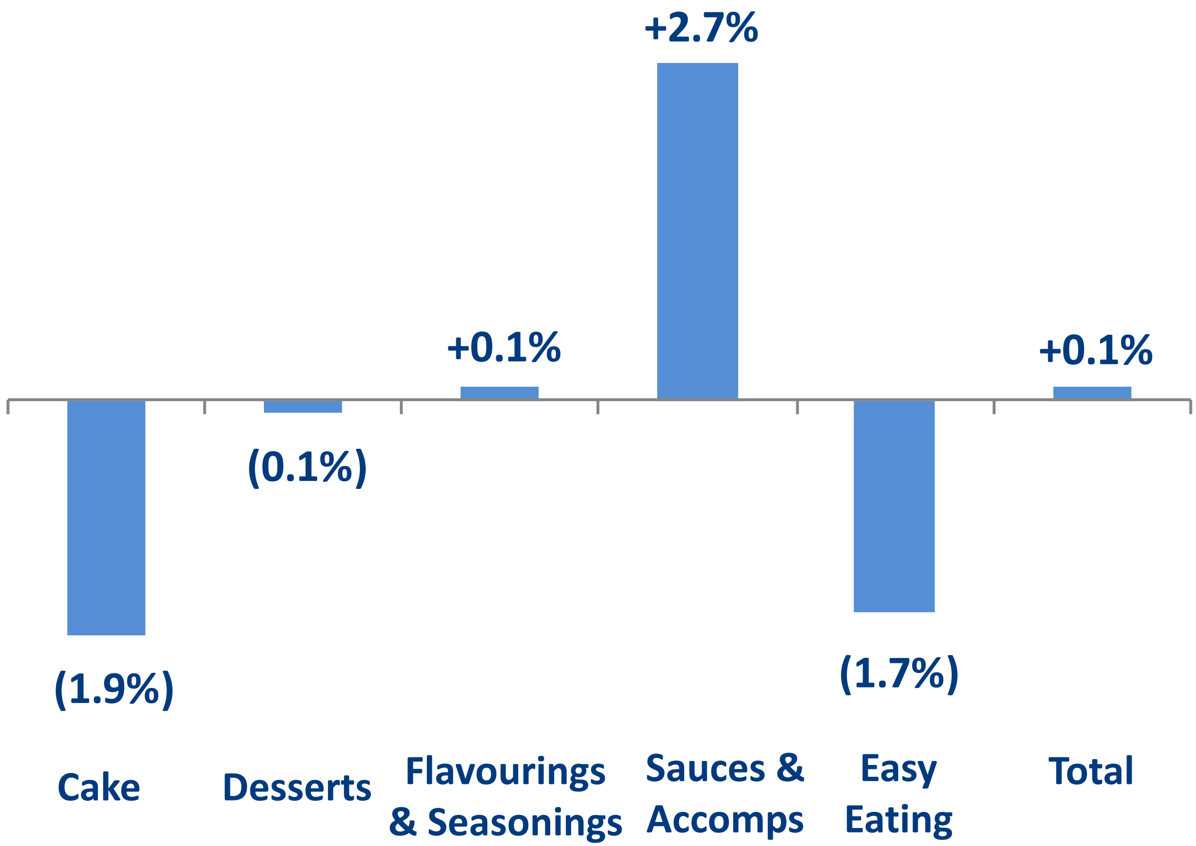
- The period 'FY16 H1' refers to the 26 weeks ended 3 October 2015. The period 'FY15 H1' refers to the 26 weeks ending 4 October 2014.
- Trading profit is defined as operating profit before, amortisation and impairment of intangible assets, fair value movements on foreign exchange and other derivative contracts, restructuring costs, and net interest on pensions and administration costs.
- Adjusted profit before tax is defined as Trading profit less net regular interest. Adjusted earnings per share is defined as Adjusted profit before tax less a notional tax charge of 20.0% (FY14/15H1: 21.0%) divided by the weighted average of the number of shares of 825.7 million (FY14/15 H1: 817.2) . Net regular interest is defined as net finance cost excluding write-off of financing costs, fair value movements on interest rate financial instruments and other interest.

SEGMENTAL COMPARATIVES

52 Weeks to 4 April 2015

£m	Q1 (13 weeks)	Q2 (13 weeks)	H1 (26 weeks)	Q3 (13 weeks)	Q4 (13 weeks)	FY (52 weeks)
Grocery						
Branded sales	112.4	112.6	225.0	160.1	123.4	508.5
Non-branded sales	11.3	10.3	21.6	11.3	10.3	43.2
Total sales	123.7	122.9	246.6	171.4	133.7	551.7
Divisional contribution	-	-	60.1	-	-	145.2
Sweet Treats						
Branded sales	39.9	41.5	81.4	50.0	43.8	175.2
Non-branded sales	5.4	6.3	11.7	23.4	5.4	40.5
Total sales	45.3	47.8	93.1	73.4	49.2	215.7
Divisional contribution	-	-	4.8	-	-	18.0
Group						
Branded sales	152.3	154.1	306.4	210.1	167.2	683.7
Non-branded sales	16.7	16.6	33.3	34.7	15.7	83.7
Total sales	169.0	170.7	339.7	244.8	182.9	767.4
Divisional contribution	-	-	64.9	-	-	163.2
Group & corporate	-	-	(18.2)	-	-	(32.2)
Trading profit	-	-	46.7	-	-	131.0
EBITDA	-	-	53.4	-	-	144.9

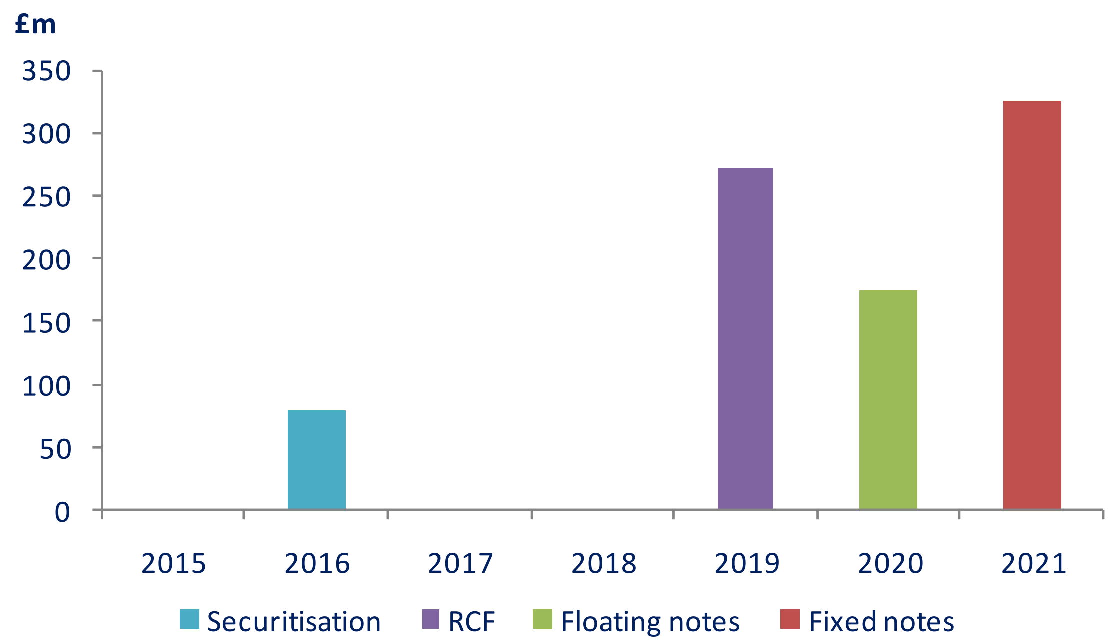
OWN LABEL REMAINS BROADLY FLAT IN OUR CATEGORIES



Source: Kantar Worldpanel, 52 w/e 3 October 2015

A LONGER TERM AND DIVERSIFIED CAPITAL STRUCTURE

- Raised £500m Senior Secured Notes in FY14:
  - £325m Fixed notes @6.5%
  - £175m Floating notes @5.0%+LIBOR
- New £272m Revolving Credit Facility
  - New and streamlined bank syndicate
- Issued £340m net equity in FY14
- Fixed payment schedule with Pension Trustees through to 2019
- £80m securitisation facility
- Net debt/EBITDA: Medium term target 2.5x
- Dividend payable when Net debt / EBITDA <3.0x



INTEREST

£m	FY16 H1	FY15 H1
Senior secured notes interest	15	16
Bank debt interest	4	4
Securitisation interest	1	2
Cash interest	**20**	**22**
Amortisation and deferred fees	3	2
Net regular interest	**23**	**24**

TAX

- Deferred tax asset of £33m at 3 October 2015 (4 April 2015: £42m)
- Capital allowances in excess of depreciation
- Additional unrecognised deferred tax asset of £29m
- Total recognised & unrecognised deferred tax assets = £94m, equivalent to over £450m taxable profits in future periods
- Notional corporation tax expected to be 20.0% in FY16 & FY17; proposed 19.0% in FY18 & FY19
- Cash tax expected to be nil over the medium term

PENSIONS – COMBINED SCHEMES

£m	3 Oct 2015	4 April 2015
Assets	4,118	4,248
Liabilities	(4,151)	(4,460)
Deficit	**(33)**	**(212)**
Deficit net of deferred tax	**(26)**	**(167)**

Key IAS 19 assumptions	3 Oct 2015	4 April 2015
Discount rate	3.70%	3.30%
Inflation rate (RPI/CPI)	3.1%/2.0%	3.0%/1.9%
Mortality assumptions	LTI +1.0%	LTI +1.0%

- Deficit reflects RHM schemes surplus of £383m offset by Premier schemes deficit of £416m

Scheme Assets (£m)	3 Oct 2015	4 April 2015
Equities	379	349
Government bonds	503	547
Corporate bonds	180	330
Property	299	260
Absolute/Target return	1,306	1,333
Cash	158	294
Infrastructure funds	218	196
Swaps	596	430
Private equity	246	251
Other	233	258
Total	**4,118**	**4,248**

PENSION DEFICIT SCHEDULE CONTRIBUTIONS

Restated to reflect financial year end change

£m	2015/16	2016/17	2017/18	2018/19	2019/20
Deficit contributions	6	48	49	44	44
Administration costs (including PPF levy)	8-10	8-10	8-10	8-10	8-10
Total cash outflow	**14-16**	**56-58**	**57-59**	**52-54**	**52-54**

- Table above shows the phasing of previously agreed deficit contributions in the context of the Company's new financial calendar

PENSION DEFICIT SENSITIVITIES

Pension sensitivities (IAS 19 basis, £m)	Increase/ (reduction) in assets	Increase/ (reduction) in liabilities	Increase/ (reduction) in deficit
25 basis point decrease in government gilts	165	182	17
25 basis point increase in credit spread	-	(170)	(170)
25 basis point increase in RPI	55	67	12
Life expectancy increase by 1 year	-	146	146

- Above sensitivities are indicative only
- Sensitivities may change over time
- Schemes investment strategy may change over time

BALANCE SHEET

PREMIER FOODS

£m	3 October 2015	4 April 2015
Property, plant & equipment	187	183
Intangibles / Goodwill	1,159	1,174
Retirement assets	383	242
Investments & loans to associates	29	35
Deferred tax	33	42
Non-current Assets	**1,791**	**1,676**
Working Capital - Stock	83	69
- Debtors	125	124
- Creditors	(219)	(213)
Total Working Capital	**(11)**	**(20)**
Net debt		
Gross debt	(606)	(630)
Cash	21	45
Total Net debt	**(585)**	**(585)**
Pension liabilities	(416)	(453)
Other net liabilities	(72)	(78)
Net Assets	707	540
Share capital & premium	1,489	1,489
Reserves	(782)	(949)
Total equity	707	540