

## 'Trading profit increased 2.1% in challenging markets'

## Key Messages:

- Underlying business Trading profit up 2.1% to £48.1m
- Sales 6.1% lower due to challenging market conditions
- Strong second half programme of consumer marketing and new product introductions
- Continued progress on cost reduction and business simplification
- Trading profit expectations for the Full Year unchanged
- Category review confirms long-term potential for value creation through investment in brands, innovation, our supply chain and people

Sales (£m)	2014 H1	2013 H1	%	Cash flow (£m)	2014 H1	2013 H1
Power Brands	240.8	253.2	(4.9%)	<b>Trading profit</b>	<b>48.1</b>	<b>47.1</b>
Support Brands	83.3	91.8	(9.2%)	Depreciation	7.5	8.7
Branded sales	324.1	345.0	(6.1%)	Other non-cash items	2.1	1.4
Non-branded sales	40.3	42.9	(6.0%)	Interest	(21.4)	(22.6)
<b>Total sales</b>	<b>364.4</b>	<b>387.9</b>	<b>(6.1%)</b>	Taxation	-	-
<b>Trading profit</b>	<b>48.1</b>	<b>47.1</b>	<b>2.1%</b>	Pension contributions	(37.2)	(3.4)
<b>Adjusted Earnings per share</b>	<b>2014 H1</b>	<b>2013 H1</b>	<b>%</b>	Capital expenditure	(19.4)	(15.2)
<b>Trading profit</b>	<b>48.1</b>	<b>47.1</b>	<b>2.1%</b>	Working Capital	(9.9)	(14.9)
Less: net regular interest	(30.8)	(27.3)	(12.8%)	<b>Recurring cash (outflow) / inflow</b>	<b>(30.2)</b>	<b>1.1</b>
<b>Adjusted Profit before tax</b>	<b>17.3</b>	<b>19.8</b>	<b>(12.6%)</b>	Cash flows from disposed businesses	(1.1)	(3.5)
Less: notional tax (21.5%/23.25%)	(3.7)	(4.6)	19.2%	Restructuring activity	(3.7)	(25.3)
<b>Adjusted profit after tax</b>	<b>13.6</b>	<b>15.2</b>	<b>(10.5%)</b>	<b>Operating cash flow</b>	<b>(35.0)</b>	<b>(27.7)</b>
Divided by: Average shares in issue	588.2	239.8	-	Disposal proceeds	16.3	90.8
<b>Adjusted earnings per share</b>	<b>2.3</b>	<b>6.3</b>	<b>(63.6%)</b>	Financing fees & finance leases	(57.6)	0.1
				Loan note	(15.7)	-
				Purchase of own shares	(1.5)	-
				Net equity proceeds	340.3	-
				<b>Movement in cash</b>	<b>246.8</b>	<b>63.2</b>
				<b>Net debt position</b>	<b>£m</b>	
				<b>Net debt at 31 December 2013</b>	<b>(830.8)</b>	
				Movement in cash	246.8	
				Other non cash items	12.1	
				<b>Net debt at 30 June 2014</b>	<b>(571.9)</b>	
				<b>Pensions (£m)</b>	<b>June 2014</b>	<b>Dec 2013</b>
				<b>Assets</b>		
				Equities	307.9	299.7
				Government bonds	396.9	515.7
				Corporate bonds	314.7	384.1
				Property	169.7	181.7
				Absolute return	1,217.2	1,268.2
				Swaps	(16.9)	(116.6)
				Cash	355.6	192.3
				Other	620.2	493.3
				<b>Total Assets</b>	<b>3,365.3</b>	<b>3,218.4</b>
				<b>Liabilities</b>		
				Discount rate	4.20%	4.40%
				Inflation rate (RPI/CPI)	3.25%/2.15%	3.35%/2.35%
				<b>Total liabilities</b>	<b>(3,901.5)</b>	<b>(3,821.7)</b>
				<b>Gross deficit (IAS 19)</b>	<b>(536.2)</b>	<b>(603.3)</b>
				<b>Net deficit (IAS 19)</b>	<b>(420.9)</b>	<b>(463.0)</b>

All the above are based on Underlying business

## 2014 H2 Brand Plans

MR.KIPLING  
RE-LAUNCHBISTO  
SIMPLY RECIPE PASTESBISTO  
GRAVY PASTESOXO  
HERBS & MOREBACHELORS  
DELI BOX COUS COUSSHARWOOD'S  
MINI POPPADOMS