



Presentation in response to
Oasis proposal

July 2018

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.

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PREMIER FOODS HAS FACED A CHALLENGING INDUSTRY BACKDROP



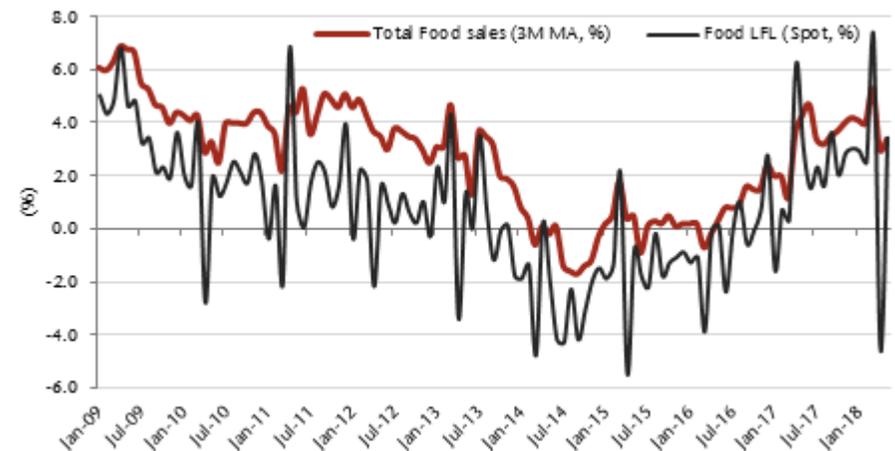
2013-2018 industry headwinds

- Significant input cost inflation during the period
- Channel shift to discounters
- Food price deflation 2015-2017
- Key customers challenged during the period
- Intensification in supermarket price competitiveness
- Change in retailer promotional strategy in 2016 which reduced category volumes
- Reduction in branded food advertising in Premier Foods' categories in 2017

Long term UK food inflation



Long term UK food sales



YET MANY FINANCIAL METRICS HAVE IMPROVED UNDER GAVIN DARBY'S LEADERSHIP

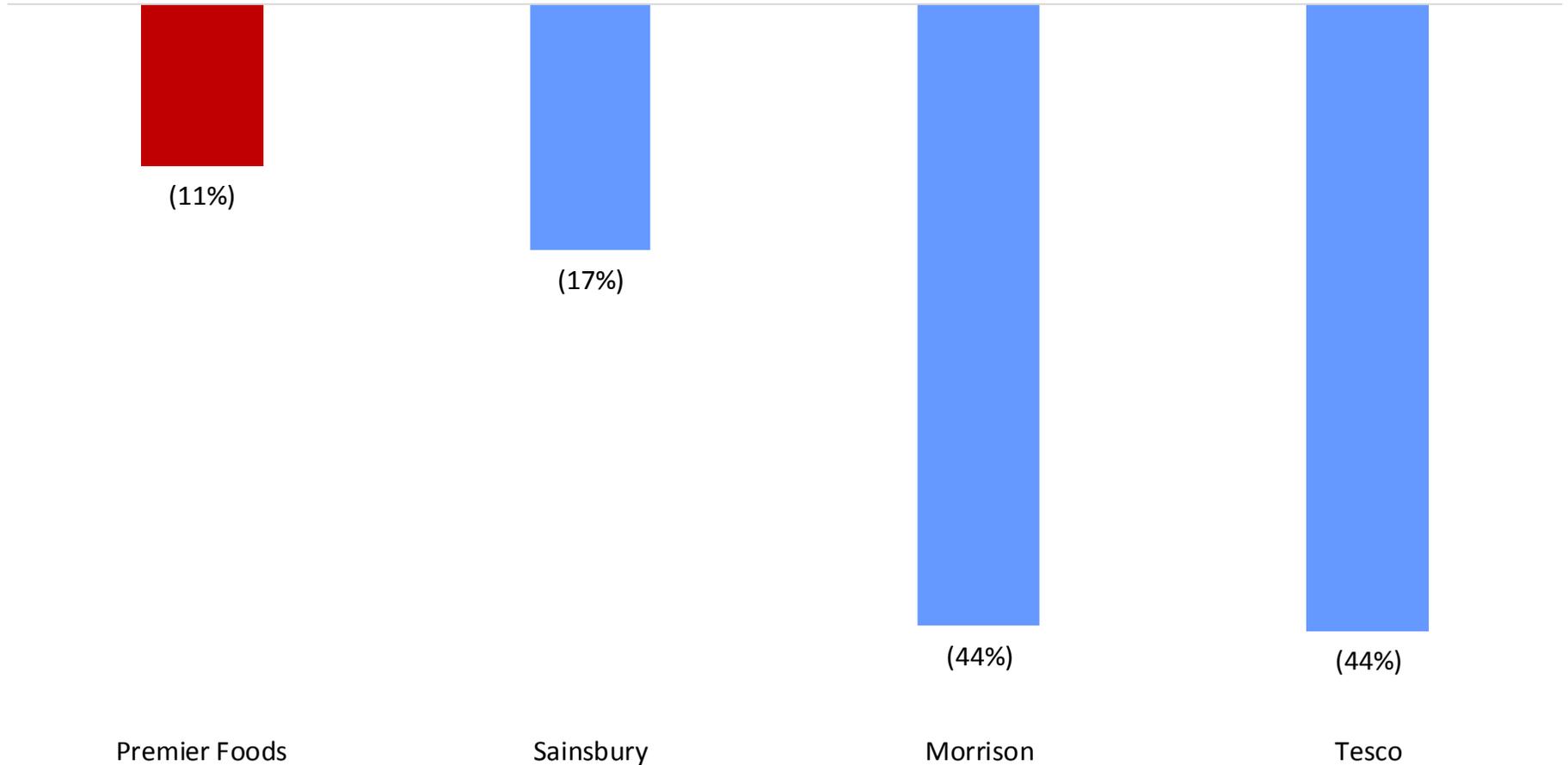


	FY 2013	FY 17/18	Δ
International revenues	£33m	£61m	+£28m
Trading profit	£139m	£123m	(£16m)
Net debt	£831m	£496m	(£334m)
Net debt / EBITDA	4.66x	3.56x	(1.11x)
Net RHM pension surplus / (deficit)	(£218m)	£754m	+£972m
Net PF pension surplus / (deficit)	(£386m)	(£437m)	(£51m)

WIDESPREAD PRESSURE ON PROFITABILITY ACROSS THE FOOD SUPPLY CHAIN



% CHANGE IN TRADING PROFIT 2013-2018¹



1) Peers' trading profit calculated as EBIT pre-exceptional items and amortisation, latest year end data compared to 5 years prior

INITIATIVES DRIVING PREMIER FOODS' TRANSFORMATION



1

Cost reduction & efficiency

2

Leveraging strategic partnerships

3

Increasing rate of innovation

4

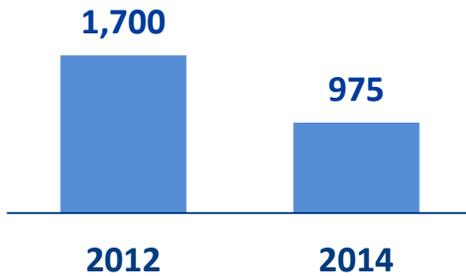
Growing international revenues

1

ONGOING COST REDUCTION & EFFICIENCY PROGRAMME

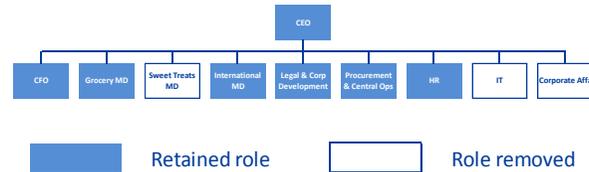


1 SKU reduction programme



- Reduction in Stock Keeping Units (SKUs) by 43% between 2012 and 2014
- Reduced complexity and removed lower margin SKUs

2 SG&A optimisation



- Reduced Group Executive team from 10 to 7
- Head office roles reduced by over 50 in central and divisional areas

3 Logistics transformation



- Reduces warehousing and distribution centres from 3 to 1
- Phase 2 of 3 in progress
- Full realisation of benefits in FY19/20

SG&A and Logistics transformation programmes to deliver £20m savings



Global Strategic Partnership in Cake

Expanded scope of Mondelez International agreement affords enhanced opportunity for international growth through new geographies and Cadbury and Oreo brands



A Leading Global Player in Instant Noodles

Nissin partnership provides access to noodle supply chain and R&D expertise worldwide, in addition to commercial relationships



55%
of Group
Revenue growth
in FY17/18

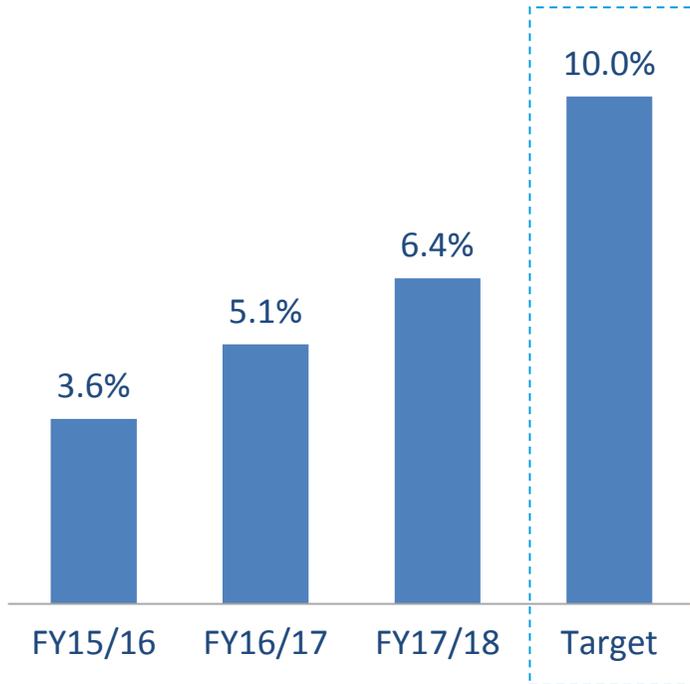
£87m
Revenue
in FY17/18

3

INCREASING RATE OF INNOVATION



Innovation as % UK branded sales
Targeting 10% of UK branded sales



Aligned with key consumer trends

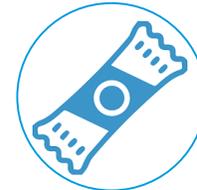
Health & Nutrition



Convenience



Snacking/On the go

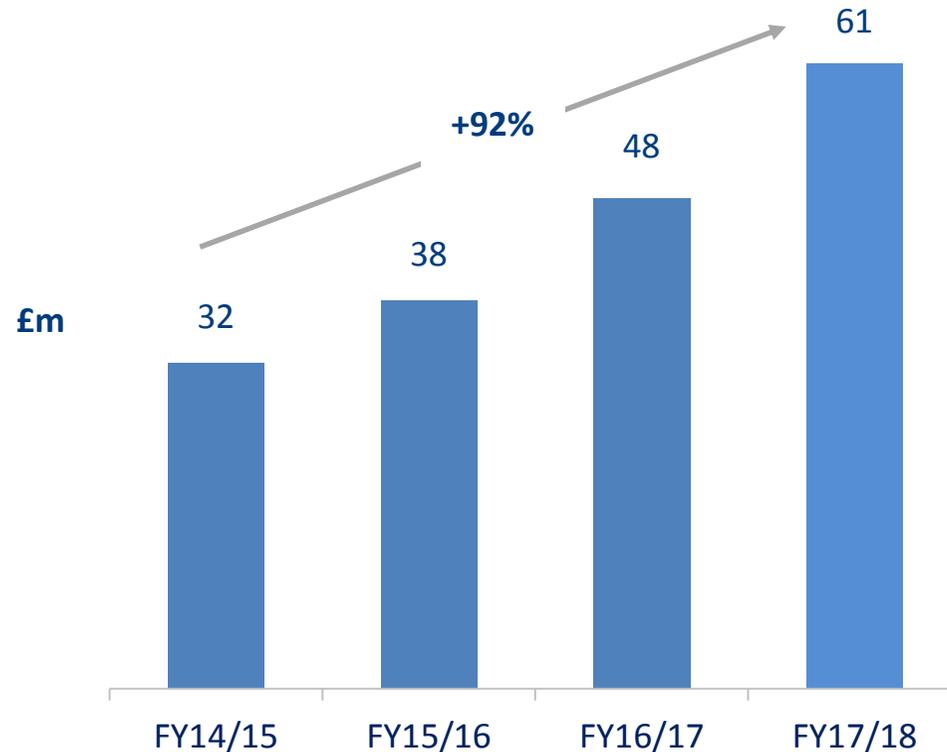


Indulgence



4

INTERNATIONAL REVENUES HAVE NEARLY DOUBLED OVER THE LAST 3 YEARS



- Revenue grew 25% in FY17/18¹, 34% in Q4¹
- Compound annual growth rate of 24% over last 3 years
- International revenue now 7.5% of Group revenue
- Team expanded to 43 from just 9 three years ago

Expectations for strong double digit revenue growth unchanged

1) Stated at constant currency

FY17/18 RESULTS DEMONSTRATE THE STRATEGY IS WORKING



Full Year
Revenue growth



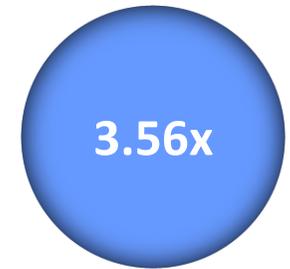
H2 & Q4
Revenue growth



Trading profit



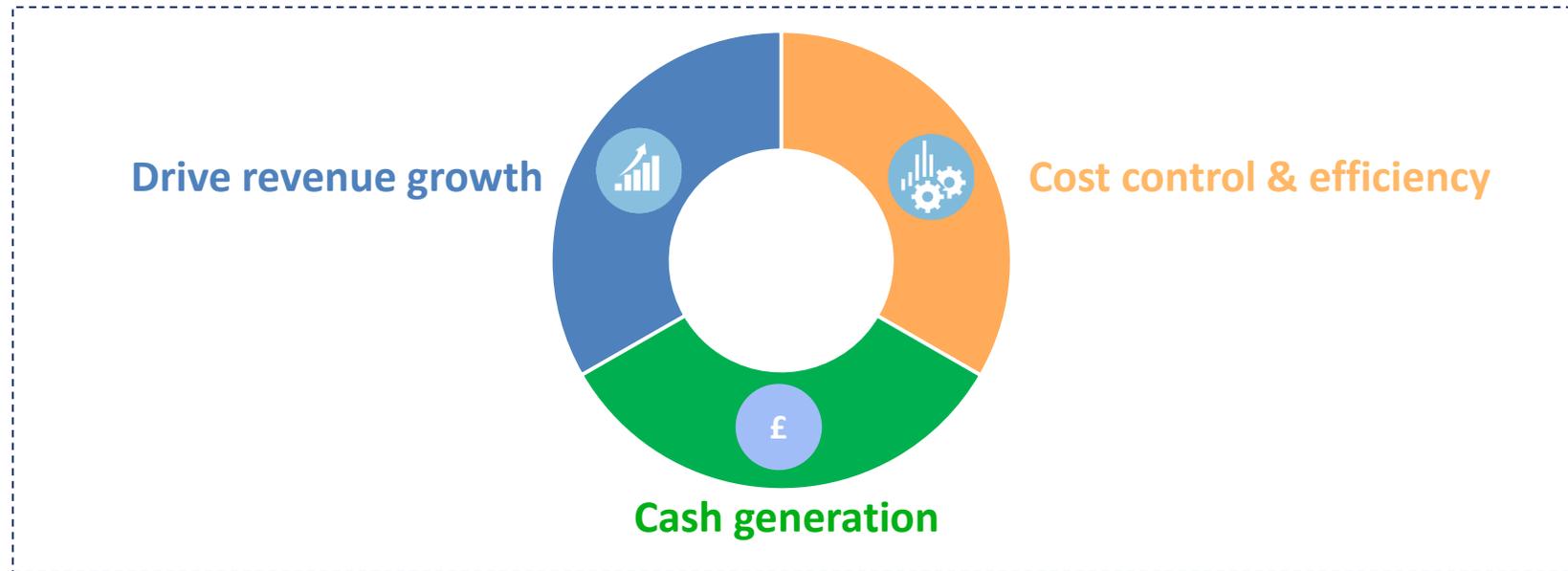
Net debt



Net debt/EBITDA

Strongest revenue growth for over 5 years

THE BOARD'S STRATEGY: BUILDING BUSINESS, DELEVERAGING AND ACCELERATING VALUE CREATION



**Keep building
business**

**Net debt/EBITDA
below 3.0x by March
2020**

**Accelerating
shareholder value
creation**

BUSINESS LEADER TESTIMONIALS



"I have known Gavin Darby for 25 years, firstly as his customer when he was at Coca Cola Europe and I was Chairman of Tesco, and then as his Chairman when he was at Vodafone. I have always found him to be an excellent manager, good with people, and a very strong strategic thinker.

The grocery market has been going through turmoil in recent years. Against this backdrop, what Gavin has achieved at Premier Foods since he became CEO has been hugely impressive. He has significantly strengthened the Company's finances and transformed its brands. For Premier Foods to change CEO at this stage would be a mistake."

***Ian MacLaurin, Baron MacLaurin of Knebworth
Formerly Chairman of Tesco and Vodafone***

"Premier Foods had serious structural issues when Gavin became CEO. Few CEOs would have taken them on. Since then the Company has restructured its debt, its pension deficit, sold assets and realised value and traded through a really demanding market. If these activist investors succeed in removing him they risk destroying significant value, rather than creating it."

***Mark Price, Baron Price CVO
Formerly Managing Director of Waitrose***

THE BOARD HAS FULL CONFIDENCE IN GAVIN DARBY



- Gavin rescued Premier from its dire situation in 2013 and gave the Company a future
- Gavin is successfully addressing Premier's biggest remaining challenges
 - Driving organic growth in a difficult market back-drop
 - Undertaking significant cost and efficiency measures
 - Developing and leveraging key strategic partnerships
 - Achieving rapid international expansion
 - Continuing to reduce leverage, now expected to be less than 3.0x within two years
- Oasis' proposal would create instability at Premier Foods at a time when stability and continuity are more important than ever

HIGHLY EXPERIENCED INDEPENDENT DIRECTORS



Keith Hamill, Chairman

- Previously Chairman of Travelodge, Tullett Prebon, Moss Bros, Collins Stewart and Heath Lambert
- Currently NED of Samsonite and Chairman of Horsforth Holdings

Ian Krieger, Senior Independent Director

- Previously Vice Chairman of Deloitte
- Currently Chairman of Anthony Nolan, SID of Safestore and NED of Capital & Regional and Primary Health Properties

Pam Powell, Non-Executive Director

- Previously Strategy & Innovation Director of SAB Miller and Global VP Skincare of Unilever
- Currently NED of A.G. Barr and Cranswick

Jennifer Laing, Non-Executive Director

- Previously Chairman & CEO of Saatchi & Saatchi N. America
- Currently Chairman of IHG Foundation UK Trust

Richard Hodgson, Non-Executive Director

- Previously CEO of Pizza Express, Commercial Director of Morrisons and Waitrose
- Currently CEO of Yo!Sushi

PREMIER FOODS' CORPORATE GOVERNANCE IS ROBUST



- Refreshed Board of directors
 - Average tenure of non-executive directors 3.4 years
 - 4 out of 6 non-executive directors have joined since 2013
- Broad and complementary mix of skills and backgrounds
- Five independent non-executive directors on the Board
- No over-boarded directors
- Rigorous challenge on management strategy
- Holding management accountable for performance delivery
- The Company maintains strong governance standards as would be expected of a FTSE listed company

McCORMICK APPROACH: BOARD ACTED IN THE INTERESTS OF ALL SHAREHOLDERS



12 February 2016	<ul style="list-style-type: none">▪ McCormick initial indicative offer of 52p, which the Board rejected as it significantly undervalued the Company and its prospects¹
14 March 2016	<ul style="list-style-type: none">▪ McCormick made an improved indicative offer of 60p, which was also rejected for the same reasons²
24 March 2016	<ul style="list-style-type: none">▪ Nissin acquired an initial 17.3% stake in Premier³
30 March 2016	<ul style="list-style-type: none">▪ After Nissin acquired its position, McCormick then increased its indicative offer to 65p⁴<ul style="list-style-type: none">- Premier's response changed from "substantially undervalued" to "undervalued"⁵▪ Premier immediately invited McCormick to carry out extensive due diligence
4-5 April 2016	<ul style="list-style-type: none">▪ McCormick carried out its due diligence, including a management presentation led by Gavin Darby⁶<ul style="list-style-type: none">- McCormick described the due diligence process as "open and collaborative"⁷
13 April 2016	<ul style="list-style-type: none">▪ Ultimately, McCormick withdrew its proposal to acquire Premier Foods⁷

2017/2018 STRATEGIC REVIEW: SUBSTANTIVE AND PROFESSIONALLY MANAGED EXERCISE



- Daniel Wosner, an Oasis nominee, served as a Director of Premier from March 2017 to March 2018
- May 2017: Financial adviser appointed to explore a wide range of strategic options
- May 2017 - March 2018: c.30 meetings held between the Company and appointed advisers as part of a substantive, professionally managed exercise
 - June 2017: Press speculation in Wall Street Journal regarding strategic review by the Company. Premier Foods responds with RNS dated 29 June 2017
 - July 2017: Financial adviser presented assessment of wider strategic options. Having considered these options, the Board decided to explore possibility of a high value asset sale
 - July 2017 - March 2018: Exploratory discussions regarding asset sales with third parties and advisers
 - 14/15 January 2018: Press speculation of Batchelors sale to Nissin. Company responds with RNS
 - 23 March 2018: Conclusion of the Board's review of possible asset sales: no realistic prospect of an offer for Company assets on terms that would have generated value for shareholders
- The Premier Board determined to:
 - Continue its existing plan of improving performance and reducing net debt to create shareholder value
 - Work in parallel to identify other strategic opportunities to accelerate the Company's turnaround
- 28 March 2018: Daniel Wosner resigns from the Board

GAVIN DARBY'S REMUNERATION



- Gavin Darby has invested £2 million of his own funds in the shares of Premier Foods
- At the time of Gavin Darby's recruitment, the Company was in a difficult financial situation and it was necessary to appoint a highly experienced CEO to lead the turnaround
- With an enterprise value of £1.2bn, Premier Foods is more comparable to a FTSE 250 company
- Variable remuneration is only paid if demanding performance conditions are achieved
 - Based on total actual remuneration, Gavin Darby is just above lower quartile for FTSE 250
- Gavin Darby has not taken a pay rise since his appointment in 2013

CONCLUSION



- The Premier Board is committed to its strategy of improving performance and reducing net debt to create value for shareholders, while working in parallel to identify other strategic opportunities to accelerate the Company's turnaround
- The Company's results clearly demonstrate that the Board's strategy is working
- Gavin Darby and his team are best placed to execute the Board's strategy
- Oasis' proposal would create instability at Premier Foods at a time when stability and continuity are more important than ever
- Having regard to the best interests of the Company's shareholders as a whole and its other stakeholders, the Board unanimously recommends that shareholders vote in favour of Gavin Darby's re-election as the Chief Executive Officer

APPENDIX

LETTER FROM THE PENSION TRUSTEES



Dear Alastair,

Oasis Management Company Ltd

The Trustees note with concern the various announcements which have been made by the Company and by Oasis. As you are well aware stable, consistent leadership and strategic execution are considered vital ingredients in the delivery of the pension promise to our members. As such we wish to express significant concern with respect to our current position.

We are concerned at the suggestions that the current CEO should be replaced in order to effect a change in strategy and wish to place on record that we consider the risks associated with a change in leadership at this current point could be destabilising from an employer covenant perspective. We understand that Gavin Darby has the full support of the Chairman and the wider Board in delivery of the strategy and as such he and they have our support.

Similarly we are concerned at the prospect of a change in the strategy of the Company. We believe that there is a greater risk if Oasis are successful that shareholder returns and short termism will become of increased importance and as such we must place on record that this would be viewed extremely negatively. Maintaining a business of scale is fundamentally important to us.

As you are well aware the defined benefit pension schemes which rely on the Company for support are significantly underfunded and anything which jeopardises our ability to deliver on past promises may result in out of cycle action by the trustees to protect members' positions.

Given the severity of our concerns we are also copying this letter to the Pensions Regulator, whom as you know has a proactive interest in the Schemes' position. We also give you explicit permission to refer to the contents of this letter publically if considered appropriate, but would ask as a courtesy you keep us informed of any references being made.

Yours sincerely,

Allan Course
Chair
RHM Pension Scheme

Michael Chatterton
Chair
Premier Foods Pension Scheme

David Curtis
Chair
Premier Grocery Products Pension Scheme

*“Oasis’s departure as an activist with Board representation creates a possible stock overhang, but looking at it another way, this could be interpreted as there being nothing they could bring to the party. **Premier’s management is doing everything possible to drive the business in the right direction**, even if this is the longer route to deliver shareholder value.”*

Investec, 23 May 2018

*“**FY18 was ahead on all the key metrics**, with momentum improving in H2 on both top and bottom line. **FY19 outlook is confident** and well underpinned by cost savings and a benign commodity environment. With PFD now batting in its much-vilified 2%-4% growth guidance range and **committing to a firmer deleveraging target**, this all feels like **decisive step towards re-habilitation**.”*

Jefferies, 15 May 2018

*“Premier Foods recently reported **FY2018 results ahead of expectations**...Particularly pleasing was a **£27m reduction in debt** to £496m, albeit leverage remains a constraint at 3.6x debt/EBITDA. In this catch up note, we confirm a healthy 6% upgrade to our below consensus FY2019 CPTP to £82.4m, EPS of 8.0p. The relationship with key shareholder Nissin and a **growing focus on International markets** have both underpinned the **strengthening branded performance** – with the Batchelors brand growing at a double-digit rate.”*

Shore Capital, 11 June 2018

Hard task awaits new Premier Foods chief

Investors have a right to expect more.

Michael Clarke, after barely 17 months at the helm, resigned abruptly from Premier Foods this week.

The company put a brave face on it. Mr Clarke, its spin-doctors opined, had done an excellent job during his brief sojourn at the maker of Hovis bread and Mr Kipling cakes. He sold off several of Premier Foods' brands, such as Sarson's vinegar and Hartley's jam, and used the proceeds to make a dent in the company's crippling debts. Back in October, Mr Clarke was talking about the disposals having freed him up to "really focus on unlocking value in the bread division".

Such unlocking, it appears, will now be someone else's task. And it is hard to avoid the impression that Mr Clarke's financial rewards are out of kilter both with the length of his stay at the company and the scale of the challenge he has left for his successor.

Arriving at Premier Foods in September 2011, and having forgone benefits and a bonus at his former employer, Kraft, Mr Clarke received £400,000 in cash and another £1.5m which, after tax, was invested in Premier Foods shares. He was also awarded more shares vesting this year and next, plus a possible cash payment to make up for "volatility" in the share price. He will now receive the shares vesting in 2013 but not those vesting in 2014.

These one-off payments were in addition to his annual salary - £750,000 a year - and the £150,000 a year on top that he receives "in lieu of pension payments". He is also, dependent on certain conditions, eligible for an annual bonus of 150 per cent of his base salary - £1.13m. Some of this Mr Clarke will still receive at the end of this financial year for his performance in 2012, despite his resignation.

Setting aside the questionable merits of paying people what they might have earned at their former employer had they not left, it is difficult to feel that shareholders have had a fair deal from Mr Clarke. During his tenure, Premier Foods' market capitalisation has fallen by £94m to £224m. And, despite the disposals and a tick-up in revenue, he leaves the company in parlous shape.

Some analysts have suggested that Mr Clarke is leaving because his replacement, Gavin Darby, who presided over Cable & Wireless Worldwide's sale to Vodafone, would do a better job of preparing Premier Foods for a potential sale.

Shareholders should be so lucky. Premier Foods does not make an appealing target - not only because of its £1.3bn of net debt, built up during an acquisition binge last decade and worth a staggering 10 times last year's post-disposals trading profit. It also languishes beneath £3.44bn of pension liabilities and a £273m deficit in its pension scheme.

Premier Foods' other options are limited. Selling off more of its brands will endanger the cash flows needed to service its debt. And, although sales growth has picked up, it is unlikely to be able to trade its way out of its financial problems.

All this means that Premier Foods' new chief executive faces a Herculean task - and that shareholders can feel justified ire that Mr Clarke has ducked the challenge.

McCORMICK APPROACH: PREMIER FOODS AND McCORMICK RNS EXTRACTS



1. The Board of Premier Foods plc ("Premier" or the "Company") confirms that it received an unsolicited, non-binding and highly conditional approach from McCormick & Company, Inc. ("McCormick") on 12 February 2016 regarding a possible offer for the entire issued, and to be issued, ordinary share capital of the Company at an indicative price of 52 pence in cash per Premier share. This approach was rejected on the basis that it significantly undervalued the Company and its prospects.
2. The Board received a subsequent approach on 14 March 2016 with a revised possible offer for the entire issued, and to be issued, ordinary share capital of the Company at an indicative price of 60 pence in cash (the "Indicative Price") per Premier share (the "Proposal"). This approach has also been rejected on the basis that it significantly undervalues the Company and its prospects, and therefore the Board does not consider that the Proposal would be in the best interests of Premier and its shareholders.
3. The Board of Premier Foods plc ("Premier") notes that Nissin Food Holdings Co., Ltd. ("Nissin") has unconditionally agreed to acquire a 17.27 per cent. shareholding in Premier from an existing shareholder. The Board of Premier welcomes Nissin as a long-term shareholder who understands and supports Premier's growth ambitions.
4. McCormick announces that it is today making a further revised proposal to the Board of Premier Foods of 65 pence in cash per Premier Foods share (the "Revised Offer") on the basis of prompt and full engagement from Premier Foods. The Revised Offer is subject to the same limited confirmatory due diligence set out in McCormick's announcement of 24 March 2016, which comprises only: a review of material pensions documentation, current trading and material contracts
5. The Board believes that the Revised Proposal continues to undervalue Premier and its prospects, for the reasons set out in Premier's press release on 23rd March 2016.
6. Premier's senior management has made detailed presentations to McCormick's senior team regarding Premier's business and, in particular, the value creation potential of the new strategic initiatives outlined in Premier's announcement of 23 March. Premier and its advisers have also had detailed discussions with McCormick and its advisers regarding Premier's pension plans. The discussions between McCormick, Premier and their respective advisers have been constructive.
7. McCormick has completed its due diligence review of Premier Foods, which was conducted with the management of Premier Foods in an open and collaborative spirit. McCormick has, after careful consideration, concluded that it would not be able to propose a price that would be recommended by the Board of Premier Foods while also delivering appropriate returns for McCormick shareholders. Accordingly, McCormick has withdrawn its proposal to acquire Premier Foods.