

'Delivering Against Strategic Priorities'

Key Messages:

- Fourth successive quarter of Grocery Power Brands sales growth
- Underlying Trading profit up 10.6%
- Disposals target exceeded by £40m and 20 months early
- Significant cost savings delivered in 2012 with a further £20m to come in 2013
- Consumer marketing investment in Grocery nearly doubled
- Net debt reduced to £951m

Sales (£m)	2012	2011	%
Power Brands	889.2	871.2	2.1%
Support Brands	227.2	233.9	(2.9%)
Branded sales	1,116.4	1,105.1	1.0%
Non-branded sales	237.4	206.6	14.9%
Group underlying sales	1,353.8	1,311.7	3.2%

Consumer marketing (£m)	2012	2011	%
Consumer marketing	39.4	24.7	59.5%

Grocery (£m)	2012	2011	%
Branded sales	742.0	724.2	2.5%
Non-branded sales	114.7	87.0	31.8%
Total sales	856.7	811.2	5.6%
Power Brands	533.1	512.6	4.0%

Divisional Contribution	195.5	206.9	(5.5%)
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Bread (£m)	2012	2011	%
Branded bread sales	374.4	380.9	(1.7%)
Non-branded bread sales	122.7	119.6	2.6%
Total bread sales	497.1	500.5	(0.7%)
Milling sales	191.4	193.0	(0.8%)
Total sales	688.5	693.5	(0.7%)

Divisional Contribution	26.9	51.7	(48.0%)
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Trading Profit (£m)	2012	2011	%
Grocery Divisional contribution	195.5	206.9	(5.5%)
Bread Divisional contribution	26.9	51.7	(48.0%)
Group costs	(99.0)	(147.0)	32.7%
	123.4	111.6	10.6%

Adjusted Earnings per share	2012	2011	%
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Underlying Trading profit	123.4	111.6	10.6%
Disposals & contract loss	31.3	76.7	(59.2%)
Continuing ops Trading profit	154.7	188.3	(17.8%)
Less: net regular interest	(69.5)	(115.7)	(39.9%)
Adjusted Profit before tax	85.2	72.6	17.4%
Less: notional tax (24.5%/26.5%)	(20.9)	(19.2)	(8.5%)
Adjusted profit after tax	64.3	53.4	20.5%

Divided by: Average shares in issue	239.8	239.8	-
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Adjusted earnings per share	26.8	22.3	20.5%
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Cash flow (£m)	2012	2011
Underlying business Trading Profit	123.4	111.6
Depreciation	37.5	39.0
Other non-cash items	8.8	(44.1)
Interest	(52.5)	(108.3)
Taxation	0.3	(2.4)
Pension contributions	(17.7)	(56.0)
Regular capital expenditure	(56.4)	(61.7)
Working Capital	6.6	(0.1)
Recurring cash inflow/(outflow)	50.0	(122.0)

Cash flows from disposed businesses	5.8	14.0
Restructuring activity	(21.6)	0.0
Operating cash flow	34.2	(108.0)
Disposal proceeds	312.2	400.2
Financing fees & finance leases	(24.0)	(7.3)
Movement in cash	322.4	284.9

Net debt position	£m
Net debt at 31 December 2011	995.1
Additional term loan	188.1
Securitisation	73.8
Pro forma Net debt at 31 December 2011	1,257.0
Movement in cash	(322.4)
Other non cash items	16.1
Net debt at 31 December 2012	950.7

Pensions (£m)	Dec 2012	Dec 2011
Assets		
Equities	411.3	425.1
Government & Corporate bonds	1,197.7	1,077.4
Property	105.3	92.1
Absolute return	712.1	790.9
Swaps	(169.0)	231.6
Cash	494.4	239.1
Other	457.5	299.8
Total Assets	3,209.3	3,156.0
Liabilities		
Discount rate	4.45%	4.80%
Inflation rate (RPI/CPI)	2.95%/2.15%	3.15%/1.95%
Total liabilities	(3,676.1)	(3,438.4)
Gross deficit (IAS 19)	(466.8)	(282.4)
Net deficit (IAS 19)	(352.4)	(212.4)

Continuing Operations - Underlying Business

£m	Continuing Operations	Less: 2011 Disposals	Sub-total	Less: 2012 Disposals	Sub-total	Less: Milling sales	Less: Contract loss	Underlying business
2012								
Sales	1,756.2	(0.9)	1,755.3	(210.1)	1,545.2	(191.4)	-	1,353.8
Trading profit	154.7	(0.3)	154.4	(31.0)	123.4	N/A	-	123.4
EBITDA	194.3	(0.3)	194.0	(35.4)	158.6	N/A	-	158.6
2011								
Sales	1,999.5	(188.5)	1,811.0	(282.9)	1,528.1	(193.0)	(23.4)	1,311.7
Trading profit	188.3	(14.6)	173.7	(56.5)	117.2	N/A	(5.6)	111.6
EBITDA	230.1	(14.6)	215.5	(62.6)	152.9	N/A	(5.6)	147.3

Disposals

£m	Announced in 2011			Announced in 2012				Sub-total	Total
	Canned Grocery	Irish Brands	Sub-total	Vinegar & Pickles	Ethnic Flour	Sweet Spreads	Sweet Pickles		
2012									
Sales	0.9	-	0.9	14.8	8.8	128.3	58.2	210.1	211.0
Trading profit	0.3	-	0.3	0.5	3.3	23.1	4.1	31.0	31.3
EBITDA	0.3	-	0.3	0.9	3.3	24.8	6.4	35.4	35.7
Months owned	-	-	-	7	7	10	12	-	-
2011									
Sales	166.7	21.8	188.5	34.0	17.8	165.1	66.0	282.9	471.4
Trading profit	5.4	9.2	14.6	5.5	6.4	36.1	8.5	56.5	71.1
EBITDA	5.4	9.2	14.6	6.2	6.4	38.2	11.7	62.6	77.2

All the above are based on Underlying business