PREMIER FOODS

Preliminary results for period ending 4 April 2015

19 May 2015

INVESTMENT STRATEGY DELIVERING RESULTS

Delivery of £131m Trading profit

Increased level of innovation

+82%

Accelerated brand investment

Stronger customer relationships

+22%

Revenue generating headcount

Increased momentum driving share gains

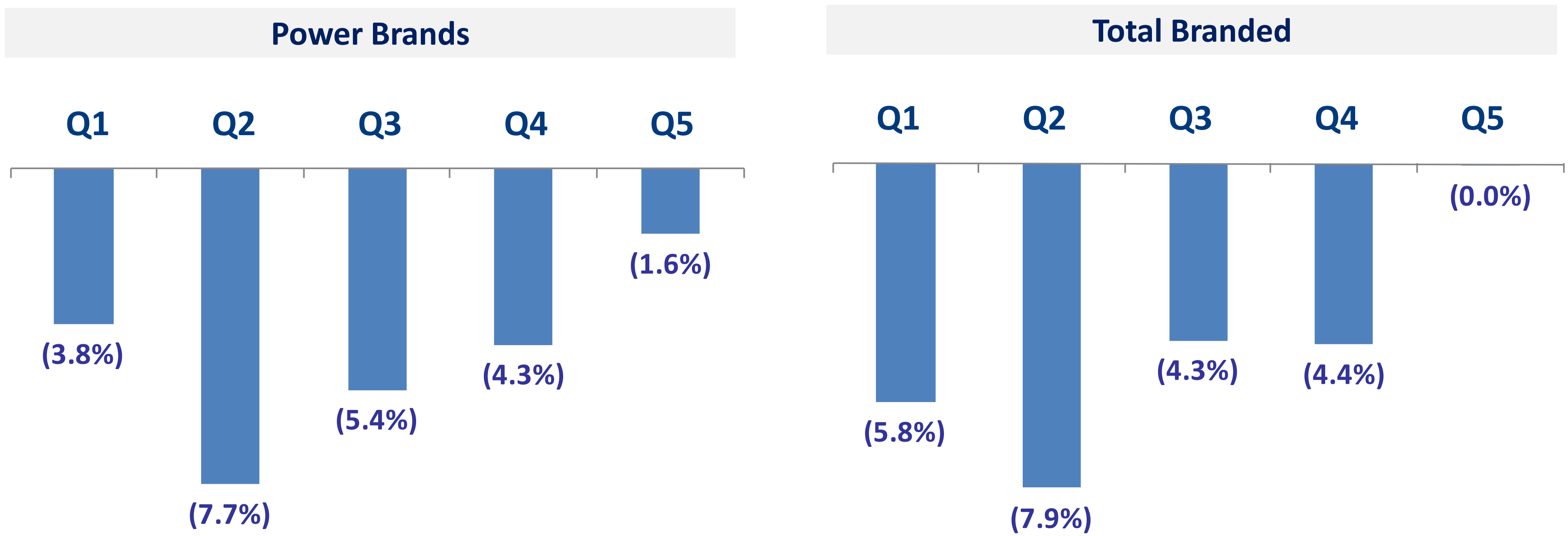
Note: Brand investment refers to six months to 4 April 2015 vs comparative period

Alastair Murray
Chief Financial Officer

FINANCIAL REPORTING CHANGES

1. Financial reporting year will be on a 52 week basis
2. Re-classification of certain commercial costs from selling, marketing & distribution costs to turnover
3. Reporting cycle
4. Grocery and Sweet Treats reporting segments

IMPROVING BRANDED SALES TREND REFLECTING EFFECTIVE INVESTMENT & INNOVATION



- Quarter 5 performance continued better trend from Q4; brand investment a strong contributor
- Total branded sales broadly flat in Q5, a strong Cadbury cake performance in support brands
- Future reporting will be based on Branded and Non-branded sales; the Power and support brands definitions will be discontinued

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

BRAND INVESTMENT IN SECOND HALF OF YEAR

£m	52 weeks to 4 April 2015	52 weeks to 5 April 2014	Change (%)
Branded sales	**684**	**713**	**(4.1%)**
Total sales	767	803	(4.5%)
Gross Profit	**294**	**294**	**0.0%**
Gross margin %	38.3%	36.6%	+1.7ppt
Consumer marketing	(33)	(25)	(31.9%)
Other expenses	(130)	(129)	(0.8%)
Trading profit	**131**	**140**	**(6.4%)**
Trading profit %	17.1%	17.4%	(0.3ppt)

- Consumer marketing upweighted in last twelve months reflecting brand investment
- Other expenses broadly flat as investment in revenue generating overheads increases

OPERATING PROFIT

Operating loss due to impairments

£m	52 weeks ending 4 April 2015	52 weeks ending 5 April 2014
Underlying business Trading profit	**131**	**140**
Add: previous disposals	(2)	4
Continuing operations Trading profit	**129**	**144**
Amortisation of intangible assets	(37)	(42)
Foreign exchange valuation items	(1)	(2)
Restructuring costs relating to disposal activity	(10)	(3)
Net interest on pension and administration costs	(38)	(34)
Loss on disposal of businesses	(6)	-
Impairment of goodwill and tangible assets	(84)	(0)
Operating (loss)/profit	**(47)**	**63**
Operating profit before impairment and loss on disposal of business	**43**	**63**

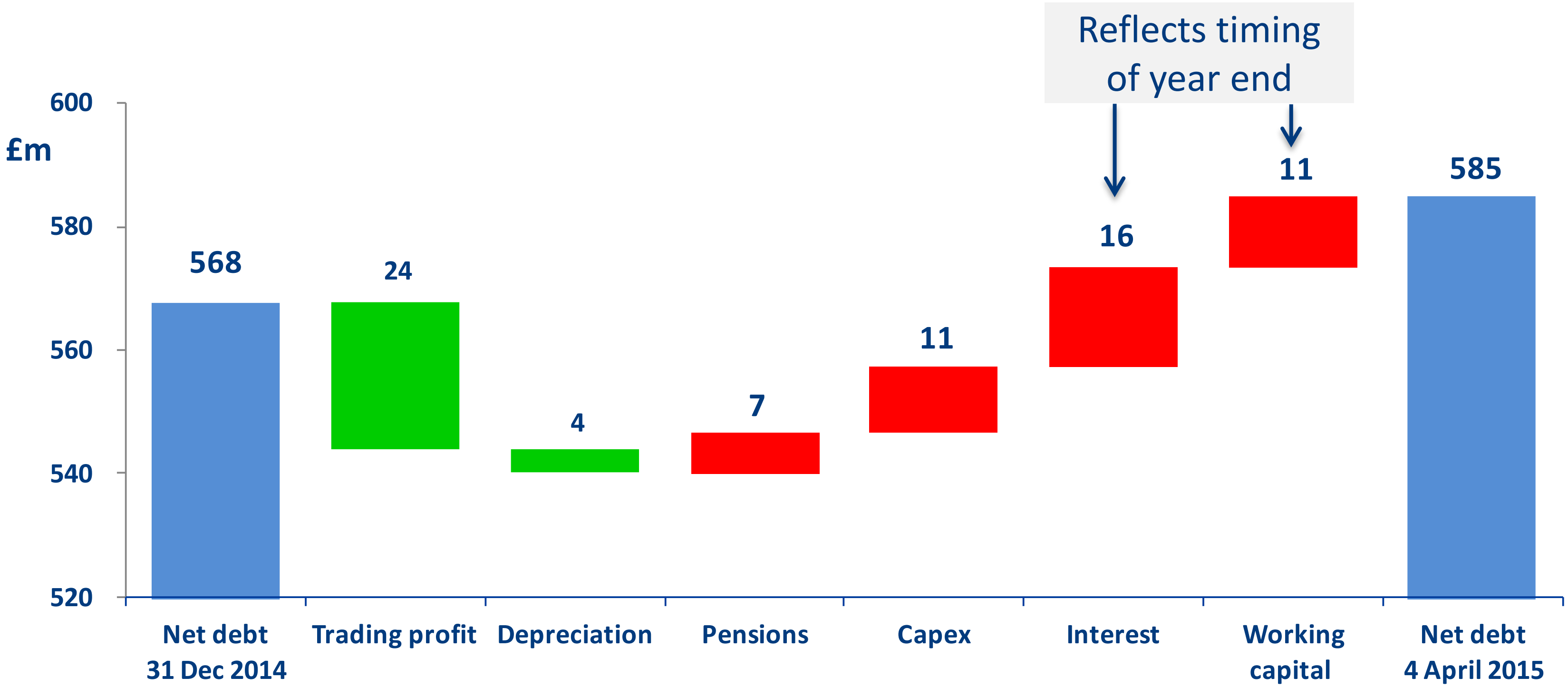
- Non-cash impairment of goodwill reflects identification of Sweet Treats as separate CGU
  - Relates to RHM acquisition in 2007

ADJUSTED EARNINGS PER SHARE

£m	52 weeks ending 4 April 2015	52 weeks ending 5 April 2014	Change (%)
Underlying Trading profit	**131**	**140**	**(6.4%)**
Net regular interest	(48)	(65)	26.5%
Adjusted PBT	**83**	**75**	**11.1%**
Notional tax @ 21%/ 23%	(17)	(17)	(1.4%)
Adjusted earnings	**66**	**58**	**14.1%**
Weighted average shares in issue (million)	824.4	370.0	-
Adjusted earnings per share (pence)	**8.0p**	**15.6p**	**(48.9%)**

- Trading profit in line with market expectations, includes £8m more consumer marketing in 2014/15
- Lower interest due to lower Net debt levels across the year and lower amortisation & deferred fees component in new financing structure
- Adjusted PBT increased as lower financing costs offset Trading profit performance
- Issued share capital of 825.7m in FY15/16

NET DEBT & CASH FLOWS REFLECT SEASONALITY
31 DECEMBER 2014 – 4 APRIL 2015



- Net debt in line with expectations
- Expectations for 2015/16 cash flow remain unchanged
- Working capital outflow due to seasonality
- Interest on senior secured notes paid twice per annum

IMPROVED PENSION DEFICIT

IAS19 Accounting Valuation (£m)	4 April 2015	31 Dec 2014*	31 Dec 2013
Assets	4,248	3,952	3,219
Liabilities	(4,460)	(4,275)	(3,822)
Deficit	**(212)**	**(323)**	**(603)**
Deficit net of deferred tax (Tax @ 21.4%/21.5%/23.25%)	**(167)**	**(254)**	**(463)**
Discount rate	3.30%	3.55%	4.40%
Inflation rate (RPI)	3.00%	3.00%	3.35%

- Pension deficit reduction reflects widening of credit spreads, scheme hedging strategy, lower inflation assumption and investment performance
- Deficit reflects RHM surplus of £242m offset by Premier schemes deficit of £454m
- Pension deficit cash contributions fixed until 2019
- NPV of post tax deficit contributions per schedule to 2032 is £390m

** 31 December 2014 position unaudited*

WE REMAIN FOCUSED ON ORGANIC DE-LEVERAGING

2015/16 guidance	£m
Working capital	Broadly neutral
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
Consumer marketing	£34-£38m

- 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

INVESTMENT STRATEGY DELIVERING RESULTS

Delivery of £131m Trading profit

Increased level of innovation

+82%

Accelerated brand investment

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+22%

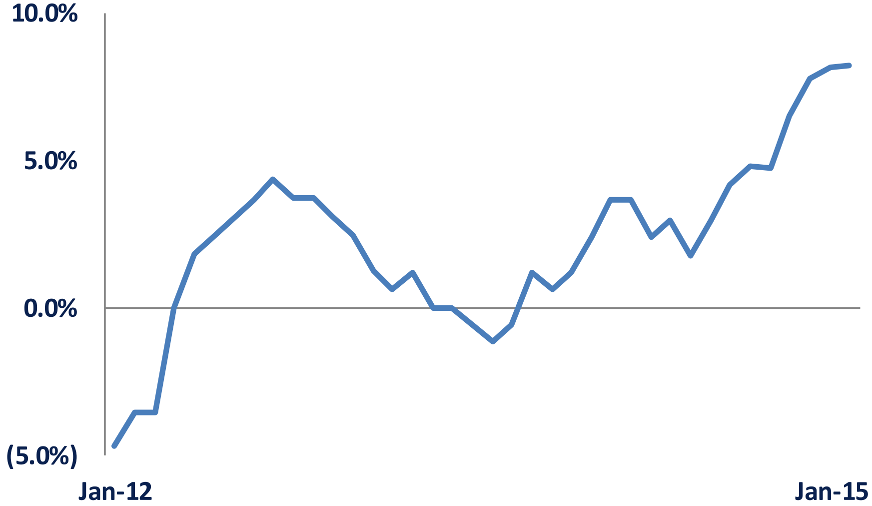
Revenue generating headcount

Increased momentum driving share gains

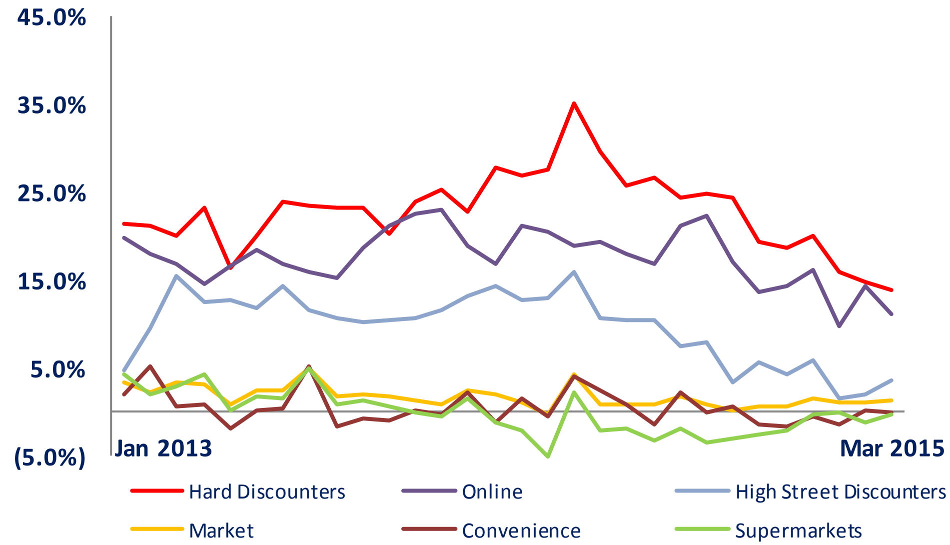
Note: Brand investment refers to six months to 4 April 2015 vs comparative period

CONSUMER CONFIDENCE IMPROVES AND CHANNEL GROWTH PROFILES CONVERGE

PREMIER FOODS



Asda/CEBR Income Tracker

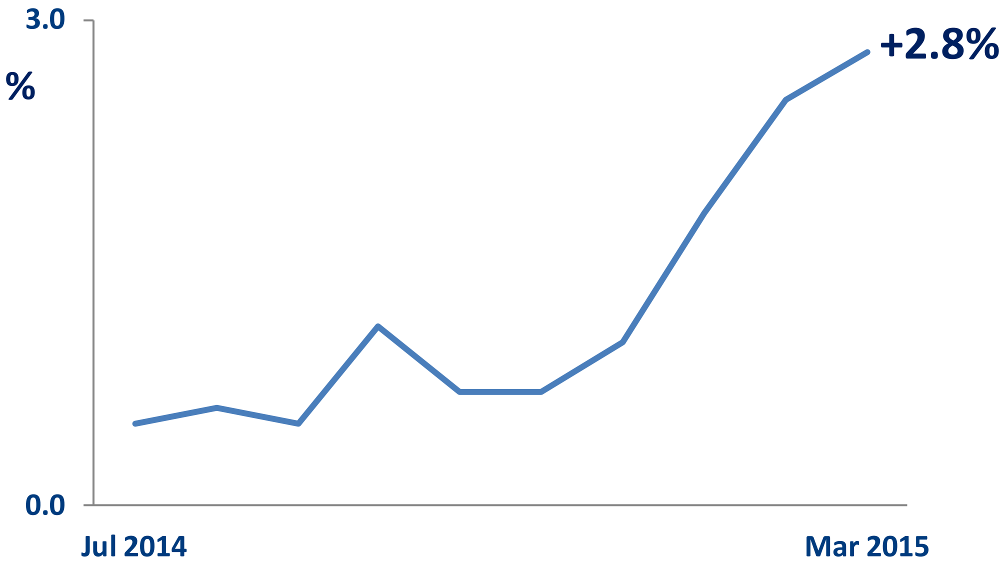


Channel growth

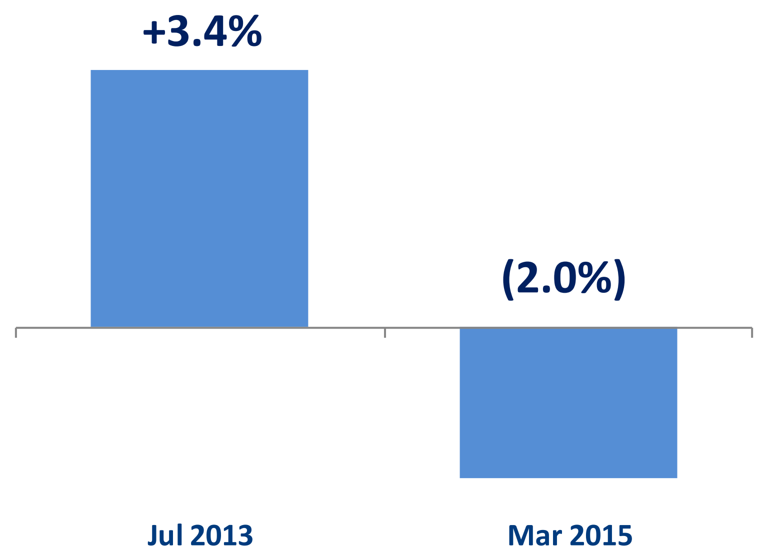
- Evidence consumer confidence is returning
- Hard discounters growth which remains strong, has slowed
- After a challenging 2014, supermarkets momentum is building

Sources: Asda CEBR Income Tracker, March 2015; Kantar Worldpanel

RETURN OF VOLUME GROWTH AS DEFLATION PERSISTS



Volume



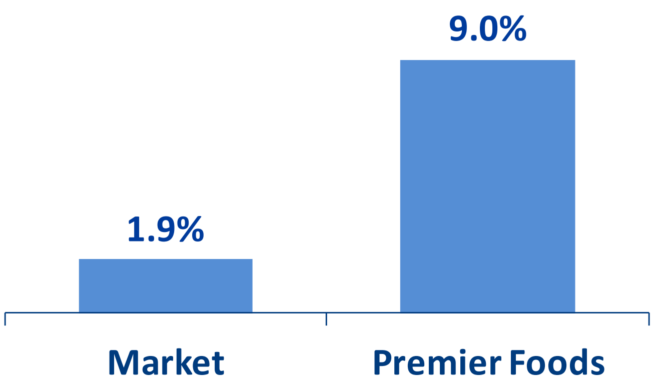
Inflation/(Deflation)

- Market volume growth has returned over recent months
- Deflationary environment is most clearly seen in dairy and fresh produce

Source: Kantar Worldpanel , Total Grocery 12 w/e 29 March 2015

INVESTING TO OUTPERFORM OUR MARKETS

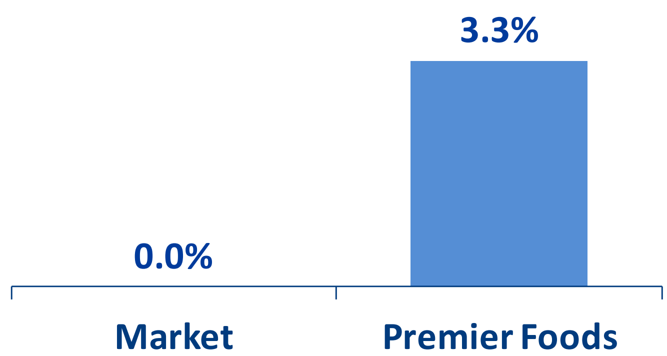
Volume



+2.0ppt

Share gain[1]

Value



+0.9ppt

Share gain[1]

Source: IRI Volume and Retail sales value, 12 w/e 4 April 2015

EXCEEDINGLY GOOD RESPONSE TO CAKE INVESTMENT

	Category	Volume	Sales	Share
Mr. Kipling	+3.8%	+19%	+8%	+0.7ppt
Cadbury		+26%	+26%	+1.7ppt

Retail execution

Seasonal

Brand investment

Source: IRI volume & retail sales value, 12 w/e 4 April 2015

FLAVOURINGS AND SEASONINGS DRIVING CATEGORY GROWTH

	Category	Volume	Sales	Share
Aah! Bisto	+4.1%	+12%	+6%	+0.5ppt
OXO		+3%	+6%	+0.1ppt

Brand extension

Premiumisation

Brand investment

Source: IRI volume & retail sales value, 12 w/e 4 April 2015

UPCOMING & EXCITING NEW PRODUCTS FOR 2015/16

Sweet Treats

Mr. Kipling

Cadbury cake

+26%

Q5 sales[1]

8 years

1st TV ad campaign in 8 years

1 - Source: IRI retail sales value, 12 w/e 4 April 2015

NEW MR.KIPLING SNACK PACK LINE TO DRIVE CATEGORY GROWTH AGENDA

2 → 14

Format Sizes

Automation

Channel Tailored Pack Formats

New Product Launches

GROCERY INNOVATION REFLECTS CONSUMER INSIGHTS

Consumer insights

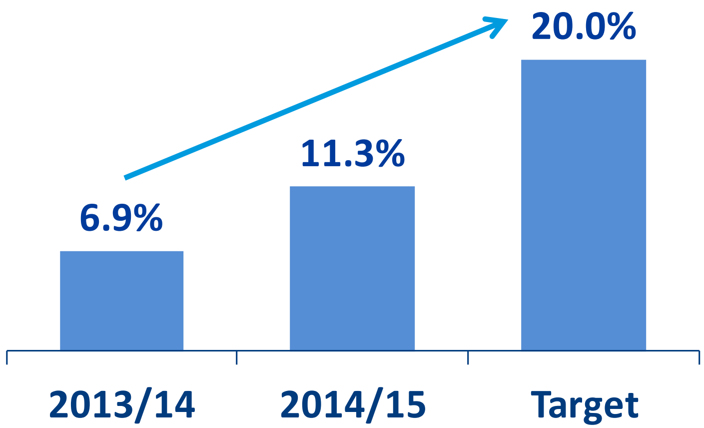
- Hob-top cooking is fastest growing cooking method[1]
- Hob cooking is used to prepare nearly 30% of all main meals
- Perceived as quicker than oven cooking after a busy day

Consumer need state	Consumer need state
Over 50% of meat based meal occasions are served 'dry'	*Light coating delivers rich and bold flavour combinations*

1 – Kantar Worldpanel, January 2015

INNOVATION AND BRAND INVESTMENT

Sales From Innovation

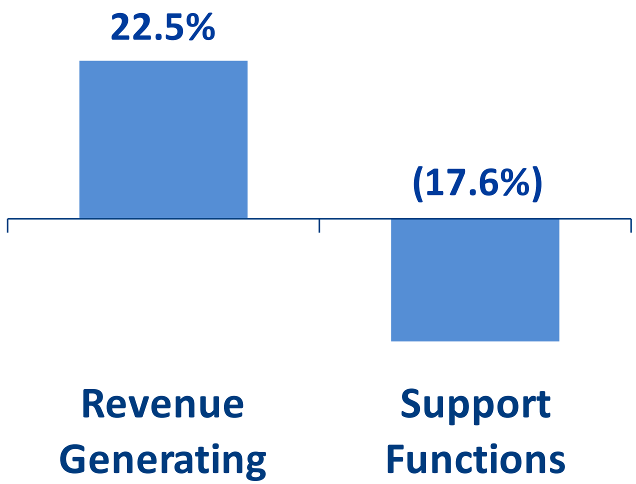


Brand Investment in 2015/16

+c.15%	8
Spend	Brands on TV

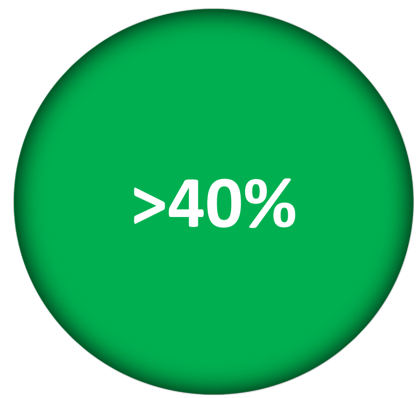
FOCUSED ON DELIVERING REVENUE AND EFFICIENCY DEVELOPMENT

Colleagues



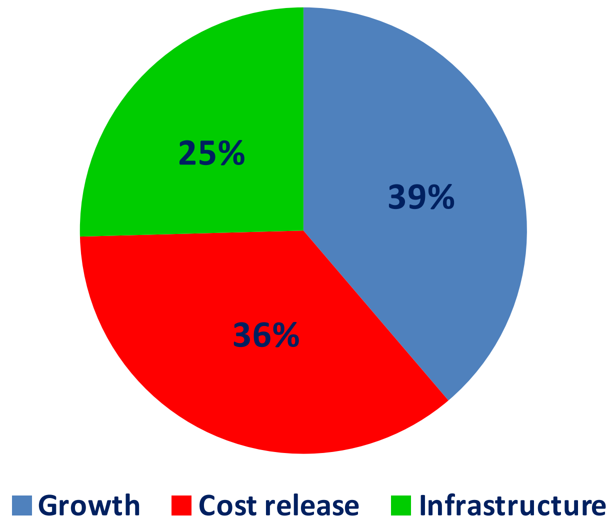
- Over the last 12 months, headcount increased in International, Sales, Marketing and Innovation by over 22%

Promotional ROI



- Proportion of promotions which exceeded sales and returns targets was over 40% in last 12 months

CAPITAL PROJECTS RETURNS PROVIDE FUEL FOR BRAND INVESTMENT



2015/16 CAPEX
c.£25m

- Strong pipeline of cost release and growth projects
- Many with less than 3 year paybacks

Major investment in Stoke cake bakery

£7m	<3 years	>£2m
2015/16 Investment	Payback	Annual cost release

WE ARE STRATEGICALLY ALIGNED WITH OUR MAJOR CUSTOMERS

Category strategy

Market leading positions

SKUs in bottom 20% of major customers

Mr. KIPLING
Exceedingly good

aah! BISTO

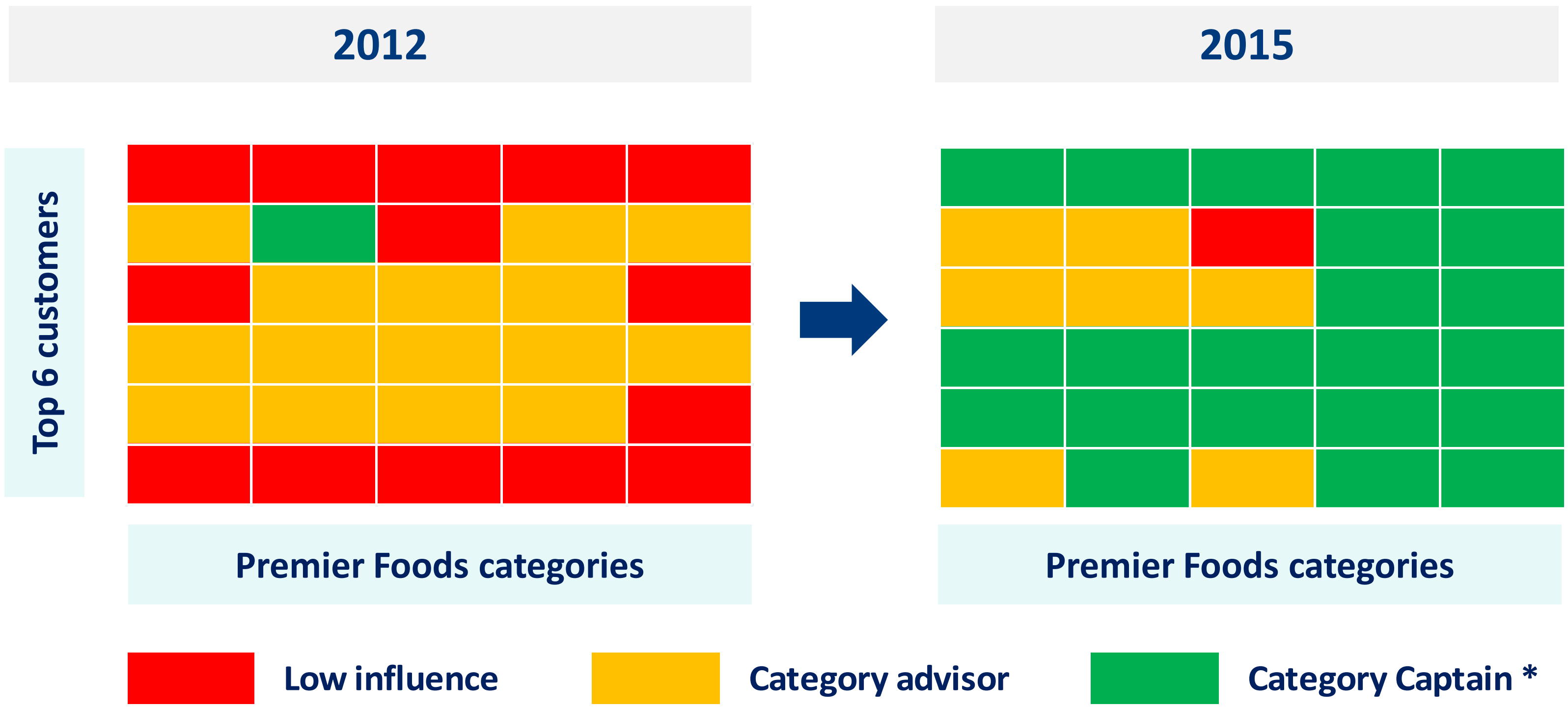
Ambrosia

<3%

PRESENTS CATEGORY GROWTH OPPORTUNITIES

SIGNIFICANT PROGRESS WITH OUR MAJOR CUSTOMERS

Awarded 22 category captaincy roles in 2015 from a maximum 30



"I can't remember having such a positive brief from my team in advance of a category review." *(Top 4 retailer Commercial Director)*

** Please see appendix for definition*

SUMMARY

- Improving branded sales trends
- Strong volume and value share growth in our markets
- Positive results from areas where we are investing
- Significant progress with our major customers

OUTLOOK

- Markets continue to be challenging; Q1 slower due to early Easter
- Expectations for year unchanged
- Ongoing focus on brand investment continues; 8 brands on TV in 2015/16
- Cost & efficiency programme for 2015/16 well positioned
- Net debt to reduce significantly in 2015/16
- Medium-term focus on costs, Trading profit and organic de-leveraging

Investment strategy delivering results

Q & A


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

Appendix


NEW
aah! BISTO
Rich Gravy Paste
MADE WITH
REAL MEAT JUICES
ROAST Beef
ROAST Chicken
4-6

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

- Results for the 52 weeks ended 4 April 2015 and comparative period, 52 weeks ended 5 April 2014, are presented on a **'Pro forma'** basis. The 'Pro forma' results are unaudited, exclude the results of previously completed business disposals, joint ventures and are presented to illustrate the performance of the Company on the new reporting calendar methodology.

- The period '2014/15' refers to the 52 weeks ending 4 April 2015. The period '2013/2014' refers to the 52 weeks ending 5 April 2014.

- Trading profit is defined as operating profit before re-financing costs, restructuring costs, profits and losses associated with divestment activity, amortisation and impairment of intangible assets, the revaluation of foreign exchange and other derivative contracts under IAS 39, profits and losses from associate companies and pension administration costs and net interest on the net defined benefit liability.

- 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 21.4% (2013: 23.25%) divided by the weighted average of the number of shares of 731.4 million (financial period to 4 April 2015) and 824.4 million (52 weeks ended 4 April 2015) . Net regular interest is defined as net finance cost excluding write-off of financing costs, fair value adjustments on interest rate financial instruments and other interest.

- Category captaincy: A category captain definition varies by customer, but would typically, but not always, include ability or demonstration of expertise in providing category insight on shopper and/or consumer behaviour, an objective commitment to growing a category and contributing strongly to ranging and promotional strategy

FINANCIAL REPORTING CHANGES

1. **Financial reporting year will be on a 52 week basis**
   - Move from Gregorian to weekly reporting
   - Re-classification of certain commercial costs from selling, marketing & distribution costs to turnover
   - Subsequently absolute comparatives change
2. **Reporting cycle**
   - This financial year for 52 weeks ended 2 April 2016
   - Interim results for 26 weeks ended 3 October 2015
   - Quarterly updates for 13 weeks to 4 July 2015 and 2 January 2016
   - Company will continue to release trading updates covering Q1 and Q3
3. **Reported segments Grocery and Sweet Treats**
   - Branded and non-branded sales, Divisional Contribution
   - Power Brands and support brands definitions to be removed
   - Trading profit and Group & corporate costs at group level

SEGMENTAL COMPARATIVES

52 WEEKS TO 4 APRIL 2015

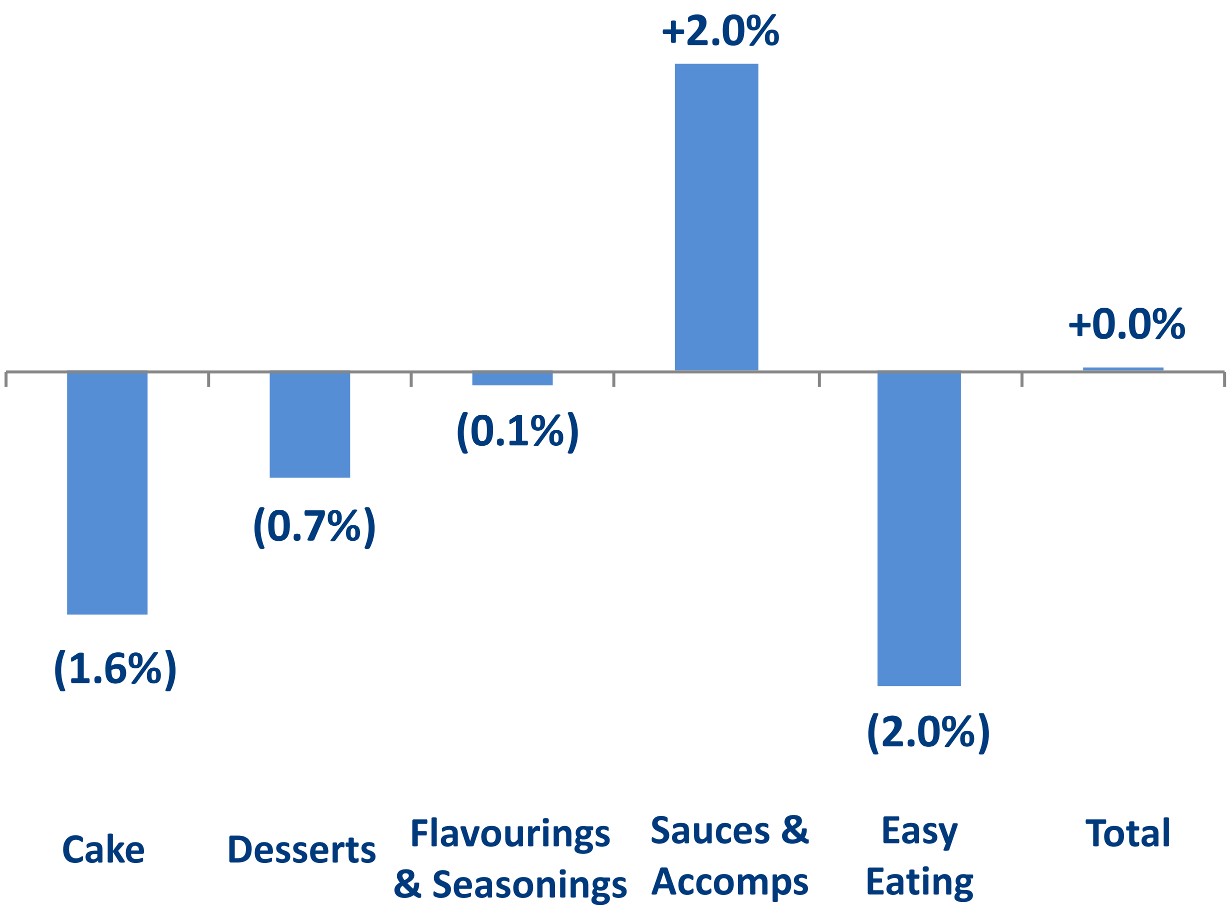
£m	Q1 (13 weeks)	Q2 (13 weeks)	H1 (26 weeks)	Q3 (13 weeks)	Q4 (13 weeks)	FY (52 weeks)
Grocery						
Branded sales	112.4	112.6	225.0	160.1	123.4	508.5
Non-branded sales	11.3	10.3	21.6	11.3	10.3	43.2
Total sales	123.7	122.9	246.6	171.4	133.7	551.7
Divisional contribution	-	-	60.1	-	-	145.2
Sweet Treats						
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

BRANDED SALES RESPONDING TO INVESTMENT AND INNOVATION

Quarter sales (£m)	2014/15 Q4	2013/14 Q4	Change (%)
Power Brands	**125**	**127**	**(1.6%)**
Support brands	45	43	4.5%
Total branded	**170**	**170**	**(0.0%)**
Non-branded	16	17	(6.0%)
Total	**186**	**187**	**(0.6%)**

52 week sales (£m)	2014/15	2013/14	Change (%)
Power Brands	**505**	**529**	**(4.6%)**
Support brands	179	184	(2.5%)
Total branded	**684**	**713**	**(4.1%)**
Non-branded	83	90	(7.5%)
Total	**767**	**803**	**(4.5%)**

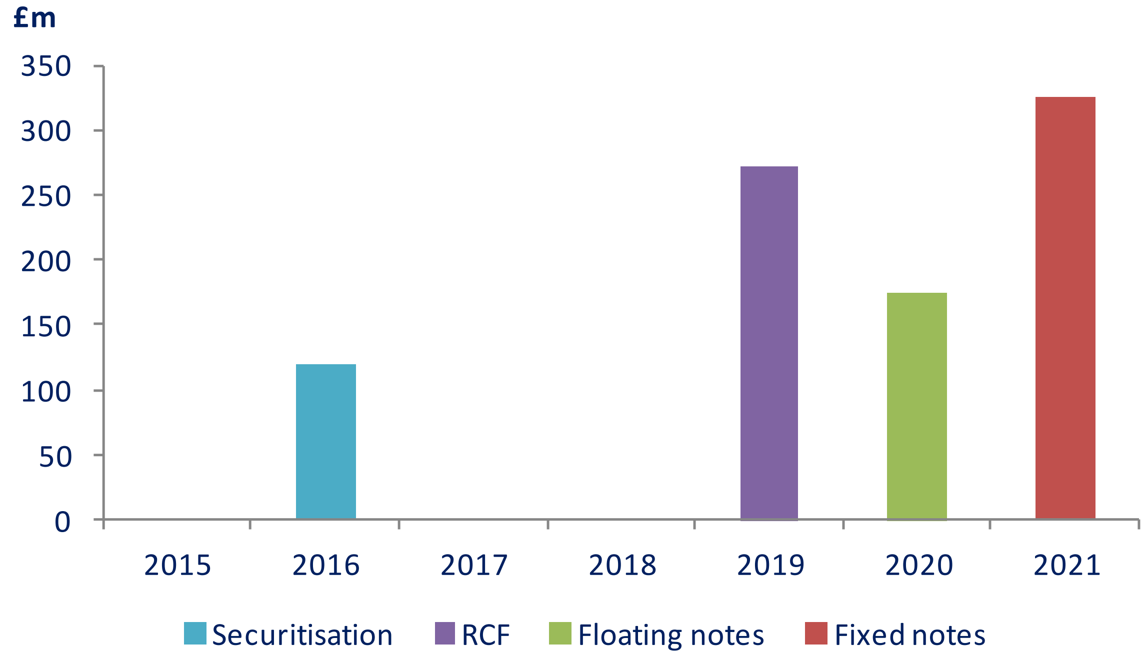
OWN LABEL REMAINS BROADLY FLAT IN OUR CATEGORIES



1 - IRI Retail sales value, 12 w/e 4 April 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
- £120m securitisation facility
- Net debt/EBITDA: Medium term target 2.5x
- Dividend payable when Net debt / EBITDA <3.0x



INTEREST

£m	52 weeks ended 4 April 2015	52 weeks ended 5 April 2014
Senior secured notes interest	31	1
Bank debt interest	10	34
Securitisation interest	3	3
Cash interest	**44**	**38**
Amortisation and deferred fees	4	27
Net regular interest	**48**	**65**

TAX

- Deferred tax asset of £42m at 4 April 2015 (31 Dec 2013: £73m)
- Capital allowances in excess of depreciation
- Additional unrecognised deferred tax asset of £43m
- Total recognised & unrecognised deferred tax assets = c.£85m, equivalent to c.£400m taxable profits in future periods
- Notional corporation tax expected to be 20.0% for next 3 years
- Cash tax expected to be nil over the medium term

PENSIONS – COMBINED SCHEMES

£m	4 April 2015	31 Dec 2013
Assets	4,248	3,219
Liabilities	(4,460)	(3,822)
Deficit	**(212)**	**(603)**
Deficit net of deferred tax	**(167)**	**(463)**

Key IAS 19 assumptions	4 April 2015	31 Dec 2013
Discount rate	3.30%	4.40%
Inflation rate (RPI/CPI)	3.0%/1.9%	3.35%/2.35%
Mortality assumptions	LTI +1.0%	LTI +1.0%

- Deficit reflects RHM surplus of £242m offset by Premier schemes deficit of £454m

Scheme Assets (£m)	4 April 2015	31 Dec 2013
Equities	349	300
Government bonds	547	516
Corporate bonds	330	384
Property	260	182
Absolute/Target return	1,333	1,268
Cash	294	192
Infrastructure funds	196	194
Swaps	430	(117)
Private equity	251	190
Other	258	110
Total	**4,248**	**3,219**

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 (subject to final formal pension trustee approval) 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	175	205	30
25 basis point increase in credit spread	-	(190)	(190)
25 basis point increase in RPI	70	85	15
Life expectancy increase by 1 year	-	140	140

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

BALANCE SHEET

£m	4 April 2015	31 December 2013
Property, plant & equipment	183	196
Intangibles / Goodwill	1,174	1,289
Retirement assets	242	-
Investments & loans to associates	35	-
Deferred tax	42	73
Non-current Assets	**1,676**	**1,558**
Working Capital - Stock	69	69
- Debtors	124	248
- Creditors	(213)	(336)
Total Working Capital	**(20)**	**(19)**
Net debt		
Gross debt	(630)	(988)
Cash	45	157
Total Net debt	**(585)**	**(831)**
Pension liabilities	(453)	(603)
Other net liabilities	(78)	(87)
Net Assets	540	18
Share capital & premium	1,489	1,149
Reserves	(949)	(1,131)
Total equity	540	18