

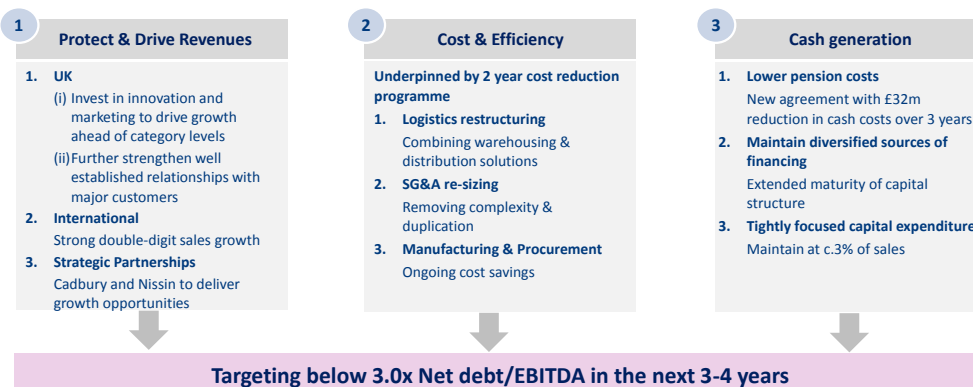
Premier Foods FY16/17 Preliminary Results - Factsheet



Headlines:

- Full year Group underlying sales (1.4%) lower; Q4 Group underlying sales down (1.0%)
- Market share growth in six of eight largest brands
- International sales increased +18%
- Underlying Trading profit £117.0m compared to £129.1m in FY15/16
- Adjusted profit before tax £74.2m; Statutory profit before tax £12.0m
- Net debt reduced to £523.2m from £534.2m
- Pensions combined surplus £104.8m; Net present value of deficit contribution schedule £300-£320m

STRATEGY UPDATE



Corporate Responsibility and Sustainability

Group performance - (£m)	FY16/17	FY15/16	%
Branded sales	659.5	683.4	(3.5%)
Non-branded sales	130.9	117.9	11.1%
Total sales	790.4	801.3	(1.4%)
Divisional contribution	149.7	165.2	(9.4%)
Group & corporate costs	(32.7)	(36.1)	9.4%
Underlying Trading profit	117.0	129.1	(9.3%)
EBITDA	133.2	146.5	(9.1%)

Divisional performance - (£m)	FY16/17	FY15/16	%
Grocery			
Branded sales	482.0	504.9	(4.5%)
Non-branded sales	81.1	73.3	10.7%
Total sales	563.1	578.2	(2.6%)
Divisional contribution	129.9	140.2	(7.3%)
Sweet Treats			
Branded sales	177.5	178.5	(0.5%)
Non-branded sales	49.8	44.6	11.6%
Total sales	227.3	223.1	1.9%
Divisional contribution	19.8	25.0	(20.8%)

Statutory earnings per share	FY16/17	FY15/16
Underlying Trading profit	117.0	129.1
Less: Knighton	-	1.9
Add: Disposals	-	(2.2)
Continuing operations Trading profit	117.0	128.8
Amortisation of intangible assets	(37.9)	(37.6)
Foreign exchange fair value movements	(1.0)	2.6
Net interest on pensions and admin expenses	(0.8)	(14.5)
Restructuring costs	(15.8)	(11.2)
Impairment	-	(13.6)
Operating profit	61.5	54.5
Net finance expense	(49.5)	(44.9)
Share of loss from associates	-	(22.6)
Profit/(Loss) before tax	12.0	(13.0)
Taxation (charge)/credit	(6.5)	47.0
Profit after tax	5.5	34.0
Average shares in issue (millions)	830.1	826.0
Basic earnings/(loss) per share (pence)	0.7p	4.1p

FY16/17 guidance	£m
Working capital	Slightly negative
Depreciation	16-18
Capital expenditure	20-22
Interest - cash	40-43
Interest - P&L	45-48
Tax - cash	Nil
Tax - notional P&L rate	19.0%
Pension deficit contributions	35
Pension administration costs	4-6
Restructuring	8-10

Outlook summary
• UK to grow ahead of its categories through brand investment and innovation
• Further strong double-digit sales growth in International
• Strategic Cadbury and Nissin partnerships
• Cost savings programme to deliver £20m over next 2 years
• Focused on reducing Net debt/EBITDA to below 3.0x over next 3-4 years
• Expect Q2 sales to deliver improved trend year on year relative to Q1
• Group expects progress in full year, weighted to the second half

Adjusted Earnings per share	FY16/17	FY15/16	%
Underlying Trading profit	117.0	129.1	(9.3%)
Less: net regular interest	(42.8)	(44.9)	4.7%
Adjusted Profit before tax	74.2	84.2	(11.8%)
Less: notional tax @ 20.0%	(14.8)	(16.8)	11.8%
Adjusted profit after tax	59.4	67.4	(11.8%)
Divided by: Average shares in issue	830.1	826.0	-
Adjusted earnings per share	7.2	8.1	(12.2%)

Sales - Q4 (£m)	FY16/17 Q4	FY15/16 Q4	%
Grocery			
Branded sales	120.1	123.7	(2.9%)
Non-branded sales	20.2	18.1	11.8%
Total sales	140.3	141.8	(1.0%)
Sweet Treats			
Branded sales	43.8	45.1	(2.8%)
Non-branded sales	6.9	6.0	14.6%
Total sales	50.7	51.1	(0.7%)
Group			
Branded sales	163.9	168.8	(2.9%)
Non-branded sales	27.1	24.1	12.3%
Total sales	191.0	192.9	(1.0%)

Cash flow (£m)	FY16/17	FY15/16
Underlying Trading profit	117.0	129.1
Depreciation	16.2	17.4
Share based payments	4.3	4.1
Interest	(39.8)	(41.7)
Pension contributions	(51.7)	(12.9)
Capital expenditure	(20.9)	(25.4)
Working capital & other	4.8	2.1
Restructuring costs	(13.7)	(7.5)
Purchase of own shares	(1.1)	(1.8)
Knighton	-	(7.7)
Free cash flow	15.1	55.7

Net debt position	£m
Net debt at 2 April 2016	534.2
Free cash flow	(15.1)
Movement in debt issuance costs	4.1
Net debt at 2 April 2016	523.2

Pension valuation (£m)	1 April 2017	2 April 2016
RHM Pension schemes		
Assets	4,190.9	3,758.7
Liabilities	(3,597.0)	(3,207.8)
Surplus	593.9	550.9
Premier Foods Pension schemes		
Assets	673.7	584.2
Liabilities	(1,162.8)	(1,004.2)
Deficit	(489.1)	(420.0)

Combined Pension schemes		
Assets	4,864.6	4,342.9
Liabilities	(4,759.8)	(4,212.0)
Surplus	104.8	130.9
Surplus net of tax (17%/18%)	87.0	107.3
Discount rate	2.65%	3.55%
Inflation rate (RPI/CPI)	3.3%/2.2%	3.0%/1.9%
Mortality rate	LTI +1.0%	LTI +1.0%

All disclosure refer to Underlying business definitions. For full definitions refer to the accompanying RNS at www.premierfoods.co.uk/investors/results-centre