PREMIER FOODS

Preliminary results for 52 weeks ended 2 April 2016

17 May 2016

Q4 AND FULL YEAR SALES GROWTH

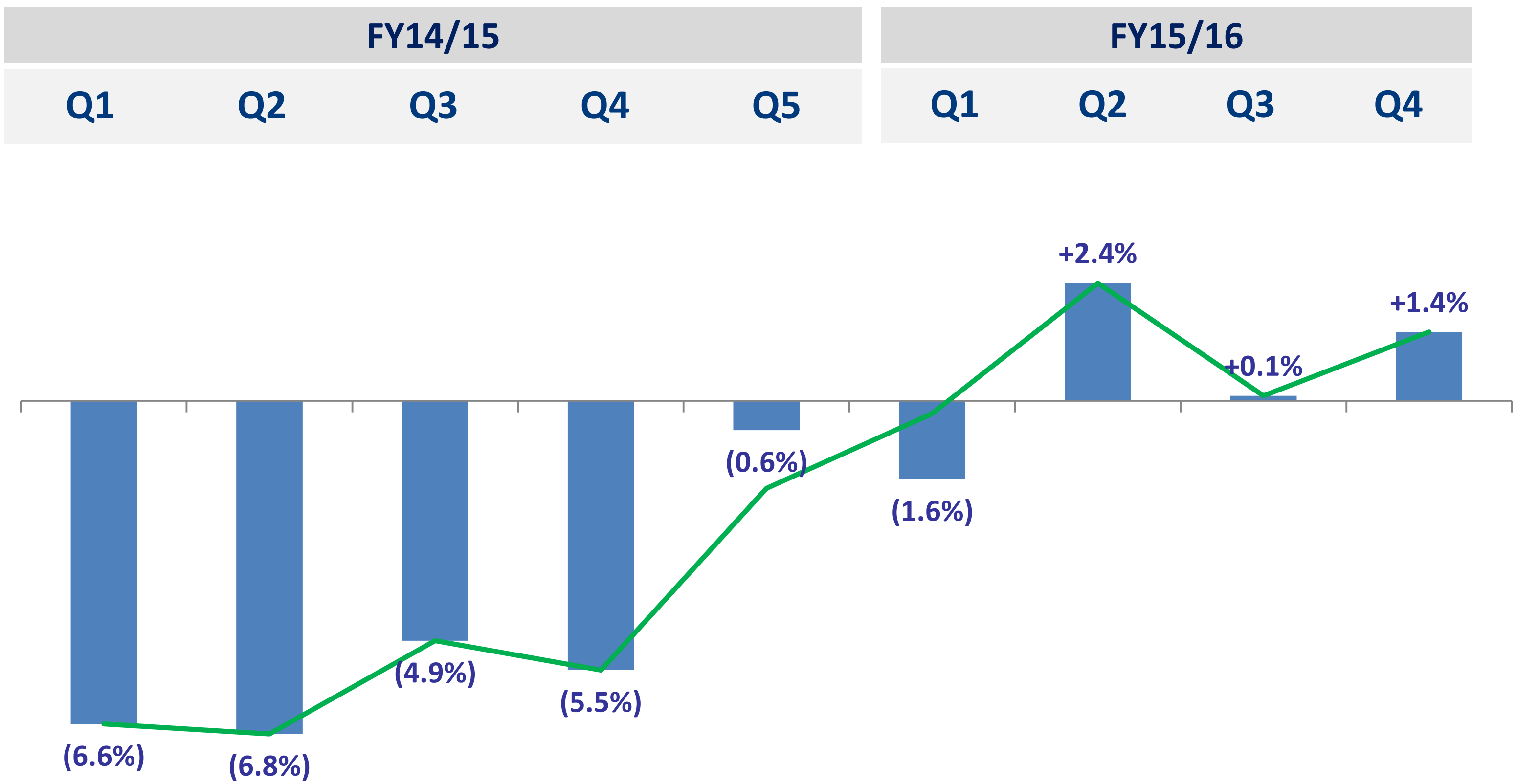
Results provide strong platform for future growth prospects

+0.6%	+1.4%	£131m	+4.6%	£51m
Full Year sales growth	Quarter 4 sales growth	Full Year Trading profit	Adjusted eps growth	Net debt reduction

Continued demonstration of strategic delivery

GROUP SALES GROWTH TRAJECTORY

Demonstrates the strategy is working



- Trend adjusted for effect of early Easter in 2015

FY14/15 Q1-Q4 trends re-stated to reflect commercial costs re-alignment

MEDIUM–TERM PROSPECTS

Growth strategy delivering and raising sales guidance

+3.4%

6 of top 8 brands

Growth strategy delivering results

New strategic initiatives

+2-4%

Group sales

FY16/17 & Medium-term sales guidance

NISSIN™

New investment partner

PREMIER FOODS

Strong future prospects

Alastair Murray
Chief Financial Officer

GROUP SALES UP +0.6% AND +1.4% IN Q4

Marketing investment increased £3m and Trading profit flat

£m	FY15/16	FY14/15	Change (%)	Q4 Change (%)
Branded sales	**684**	**684**	**(0.0%)**	**+1.0%**
Non-branded sales	88	83	+5.5%	+6.5%
Total sales	**772**	**767**	**+0.6%**	**+1.4%**
Divisional contribution	**167**	**163**	**+2.4%**	
Group & corporate costs	(36)	(32)	(12.1%)	
Trading profit	**131**	**131**	**+0.0%**	
Trading profit %	17.0%	17.1%	(0.1ppt)	
Trading profit ex Consumer marketing	*167*	*164*	*+1.8%*	

- Divisional contribution reflects strong Sweet Treats performance
- Consumer marketing increased nearly 10% in year, in line with strategy
- Group & corporate costs higher due to non-repeat of transitional service arrangement benefits, other prior year one-off items and wider employee recognition costs

GROCERY

Bisto and Oxo volume and sales growth

£m	FY15/16	FY14/15	Change (%)	Q4 Change (%)
Branded sales	505	509	(0.7%)	+0.2%
Non-branded sales	44	43	1.1%	+3.8%
Total sales	**549**	**552**	**(0.6%)**	**+0.5%**
Divisional contribution	**142**	**145**	**(2.1%)**	
Divisional contribution %	25.9%	26.3%	(0.4ppt)	

- Strong Bisto and Oxo performances reflect new product development and marketing
- Non-branded sales increase due to desserts business wins
- International sales also consolidated in Grocery business
- Divisional contribution lower following increased marketing investment

SWEET TREATS

Divisional contribution reaches 11.2%, up 290bps on prior year

£m	FY15/16	FY14/15	Change (%)	Q4 Change (%)
Branded sales	178	175	+1.9%	+3.0%
Non-branded sales	45	41	+10.0%	+10.5%
Total sales	**223**	**216**	**+3.4%**	**+3.8%**
Divisional contribution	**25**	**18**	**38.9%**	
Divisional contribution %	11.2%	8.3%	+2.9ppt	

- Excellent Cadbury cake performance particularly in H2
- Delivered sales growth in every quarter throughout FY15/16
- Non-branded sales growth due to contract wins across a number of customers and channels
- Increased volumes, automation and higher utilisation driving Divisional contribution comfortably into double-digit margins

OPERATING PROFIT

Prior year loss turns to £55m Operating profit

£m	FY15/16	FY14/15
Underlying business Trading profit	**131**	**131**
Less: previous disposals	(2)	(2)
Continuing operations Trading profit	**129**	**129**
Amortisation of intangible assets	(38)	(37)
Foreign exchange fair value movements	3	(1)
Restructuring costs	(11)	(10)
Net interest on pension and administration costs	(15)	(38)
Loss on disposal of businesses	-	(6)
Impairment	(13)	(84)
Operating profit/(loss)	**55**	**(47)**
Operating profit before impairment and loss on disposal of business	**68**	**43**

- Operating profit of £55m due to higher impairments in prior year
- Net interest on pension costs due to lower opening pension deficit
- Restructuring costs include IT restructuring charges and corporate activity fees

ASSOCIATE INVESTMENTS UPDATE

£m	Hovis	Knighton	Total
Carrying value at 4 April 2015	**22**	**13**	**35**
Interest receivable	1	0	1
Share of loss from associates	**(14)**	**(9)**	**(23)**
Impairment charge	(9)	(4)	(13)
Carrying value at 2 April 2016	-	-	-

- Group consolidated Knighton on 1 April 2016
- Net debt of £8m recognised on re-consolidation; included in Net debt at 2 April 2016
- No trading results for Knighton reflected in group P&L for 2015/16; pro forma results in appendices
- Impairment for Knighton reflects challenging market conditions
- Impairment charge for Hovis reflects the highly competitive bread market

ADJUSTED EARNINGS PER SHARE

4.6% adjusted eps growth due to lower interest costs

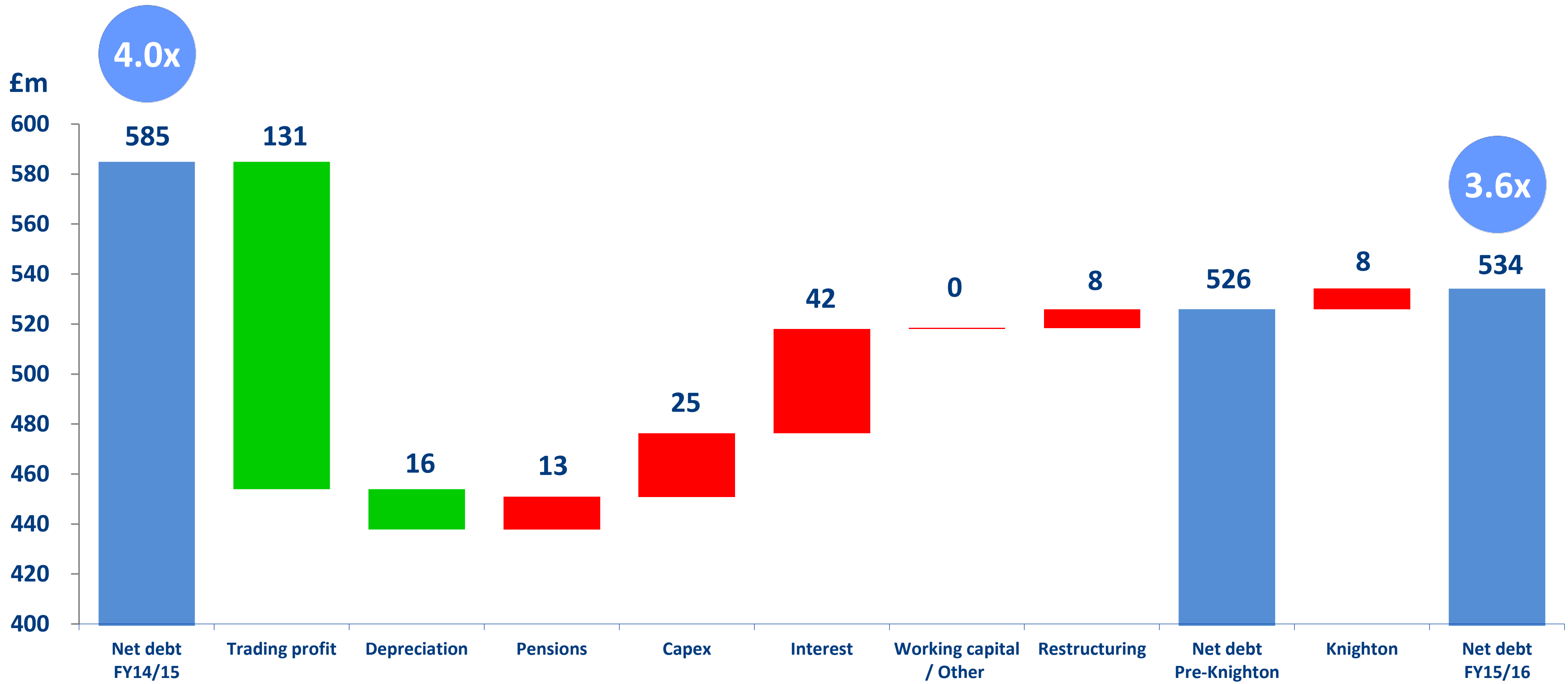
£m	FY15/16	FY14/15	Change (%)
Trading profit[1]	**131**	**131**	**0.0%**
Net regular interest	(45)	(48)	6.0%
Adjusted PBT	**86**	**83**	**3.5%**
Notional tax @ 20.0%/ 21.0%	(17)	(17)	1.5%
Adjusted earnings	**69**	**66**	**4.8%**
Weighted average shares in issue (million)	826.0	824.4	-
Adjusted earnings per share (pence)	**8.3p**	**8.0p**	**4.6%**

- Adjusted PBT up +3.5% due to lower interest charges compared to prior year
- Issued share capital of 826.6m at 2 April 2016

1 – Underlying Trading profit, excludes impact of joint ventures entered into

NET DEBT REDUCTION AHEAD OF EXPECTATIONS

£51m reduction; Net debt/EBITDA reduced to 3.6x from 4.0x



- Depreciation, pensions, capex, interest all broadly in line with expectations
- Consolidation of Knighton Foods Net debt - £8m, slightly lower than expectations

COMBINED PENSION SCHEMES SURPLUS

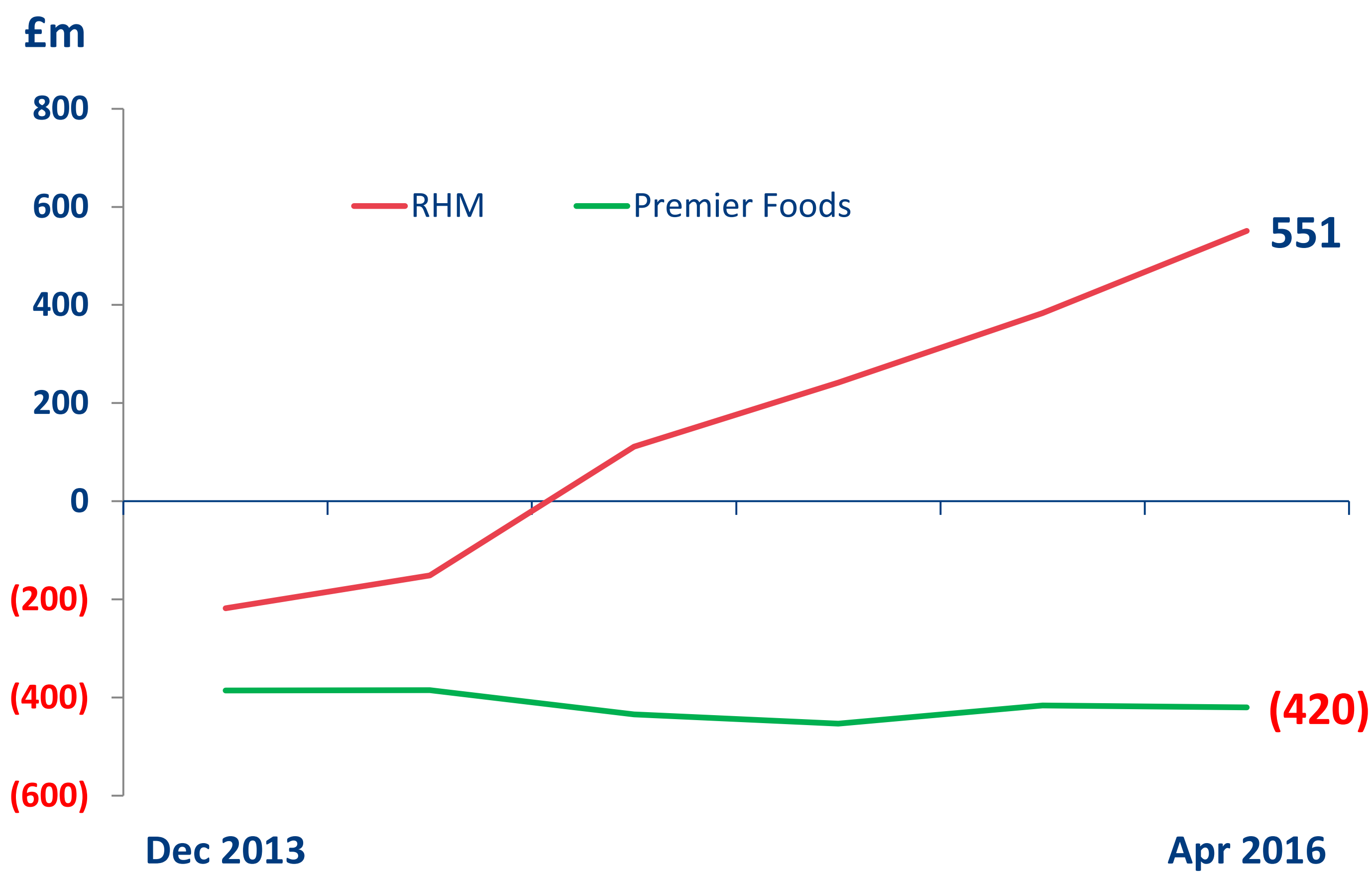
RHM surplus offsets Premier Foods scheme deficit; Discount rate up +25bps

IAS19 Accounting valuation (£m)	2 April 2016			4 April 2015		
	RHM	Premier Foods	**Combined**	RHM	Premier Foods	**Combined**
Assets	3,759	584	**4,343**	3,636	613	**4,248**
Liabilities	(3,208)	(1,004)	**(4,212)**	(3,394)	(1,066)	**(4,460)**
Surplus/(Deficit)	**551**	**(420)**	**131**	**242**	**(453)**	**(212)**
Surplus/(Deficit) net of notional tax (Tax @ 20.0%/21.0%)	**441**	**(336)**	**105**	**191**	**(358)**	**(167)**
Discount rate	3.55%	3.55%	3.55%	3.30%	3.30%	3.30%
Inflation rate (RPI)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

- Combined schemes position reflects RHM surplus of £551m offset by Premier schemes deficit of £420m
- Pension deficit cash contributions fixed until 2019
- NPV of post tax deficit contributions per agreed schedule is £400m-£420m

PENSION SCHEMES VALUATION EVOLUTION

RHM scheme displays progression over last two years



- RHM scheme now in surplus for over 12 months
- Premier Foods deficit relatively constant at c.£400m
- Future accounting treatment may prescribe non-recognition of accounting surpluses and potential change in valuation methodology

CASH GUIDANCE FOR FY16/17

FY16/17 guidance	£m
Working capital	Neutral to positive
Depreciation	£17-18m
Capital expenditure	£20-25m
Interest – cash	£40-£43m
Interest – P&L	c.£44-45m
Tax – cash	Nil
Tax – notional P&L rate	20.0%
Pension deficit contributions	£48m
Pension administrative & PPF levy cash costs	£8-£10m
Restructuring costs	£10-£12m
Consumer marketing	£42-£44m

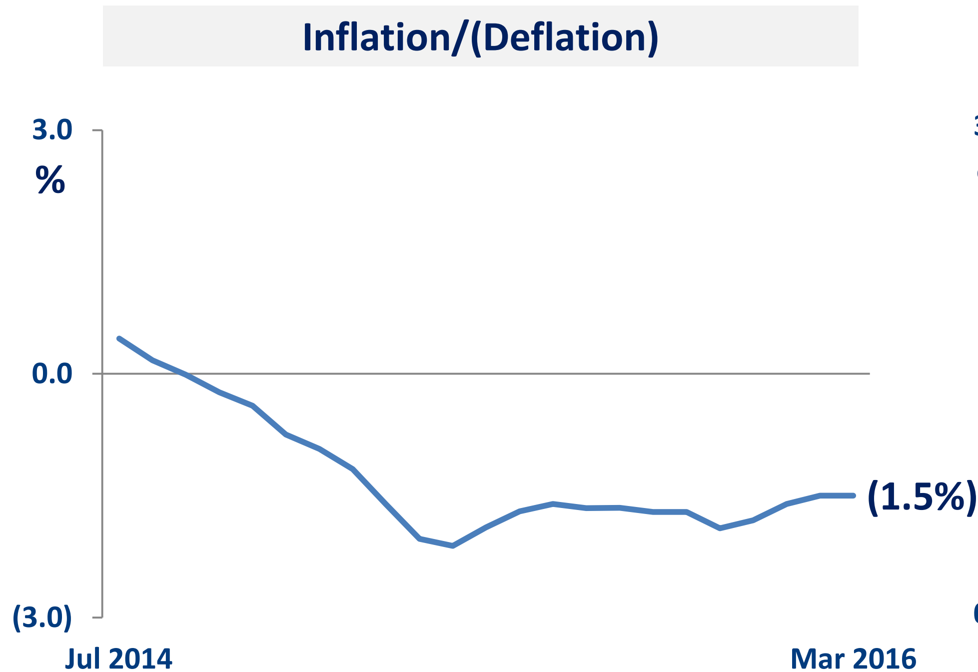
- Capex programme expected to deliver strong payback cost release projects
- Cash tax expected to be nil in medium term (subject to Finance Act 2016)
- Pension administrative & PPF cash costs reflected in Operating profit but not Trading profit

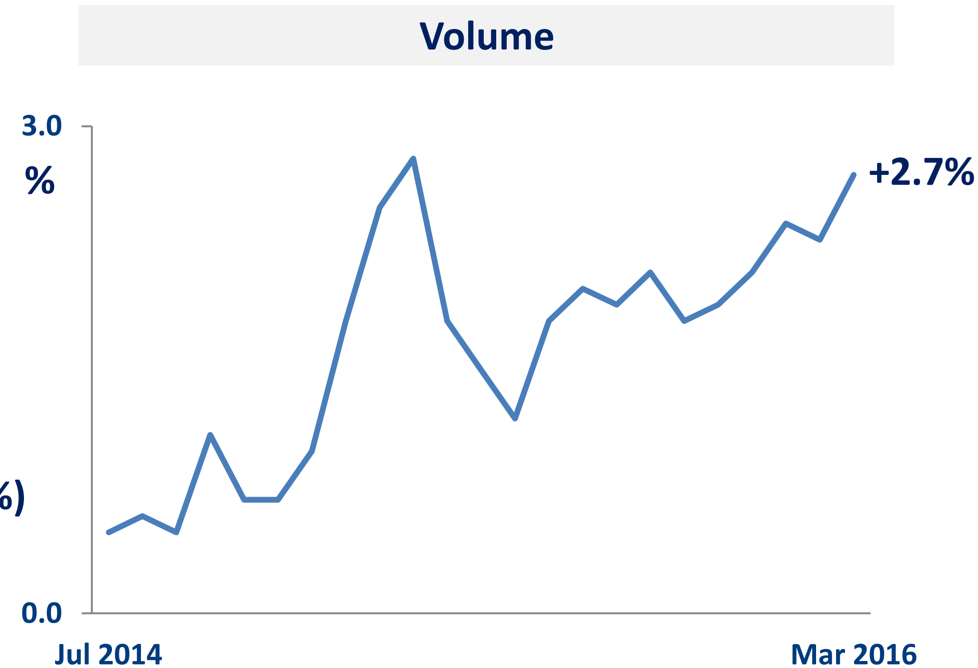
Gavin Darby

Chief Executive Officer

Operating Review

INDUSTRY TRENDS DISPLAYING STABILITY
Volume growth builds as deflation remains





- Market volume growth now prevalent for c. twelve months
- Deflationary environment evident across broad range of categories

Source: Kantar Worldpanel , Total Grocery 12 w/e 27 March 2016

RAISING FY16/17 SALES GUIDANCE

Expect FY16/17 sales growth +2-4%; additional Nissin opportunities

Existing growth momentum

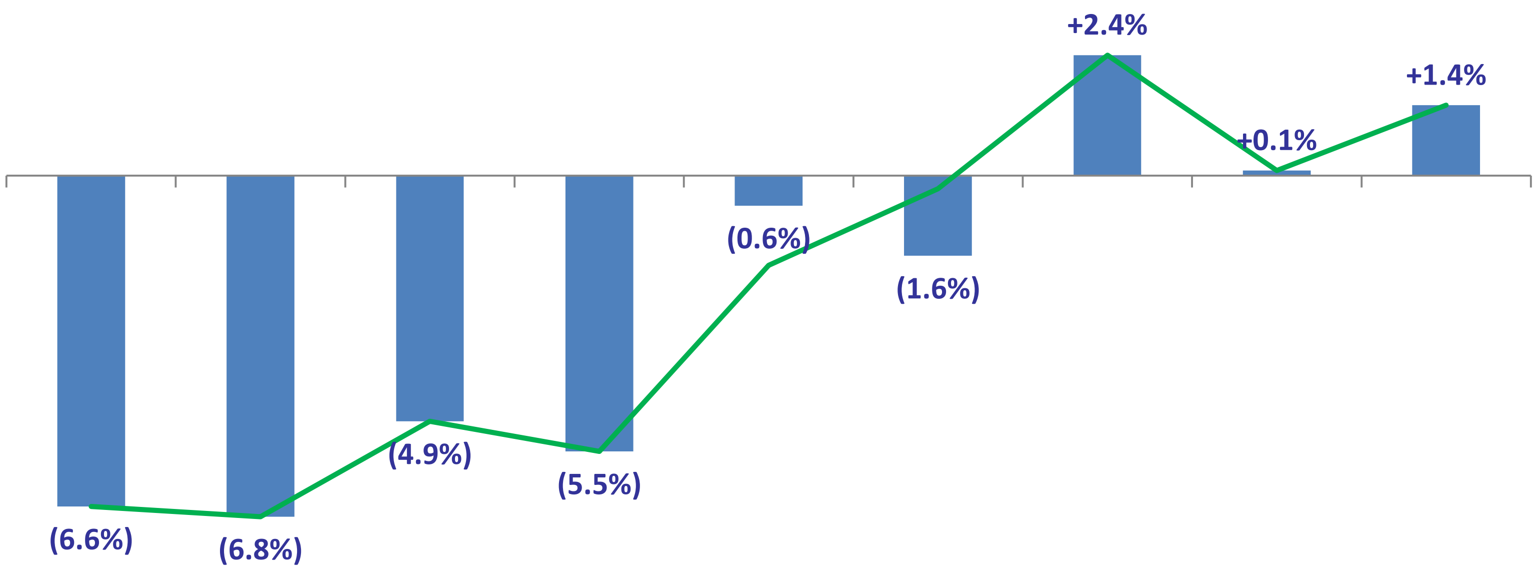
Strategic initiatives

GROUP SALES GROWTH TRAJECTORY

Demonstrates our strategy is working

PREMIER FOODS

FY14/15					FY15/16			
Q1	Q2	Q3	Q4	Q5	Q1	Q2	Q3	Q4



- Trend adjusted for effect of early Easter in 2015

FY15 Q1-Q4 trends re-stated to reflect commercial costs re-alignment

CATEGORY GROWTH OVER THE MEDIUM-TERM

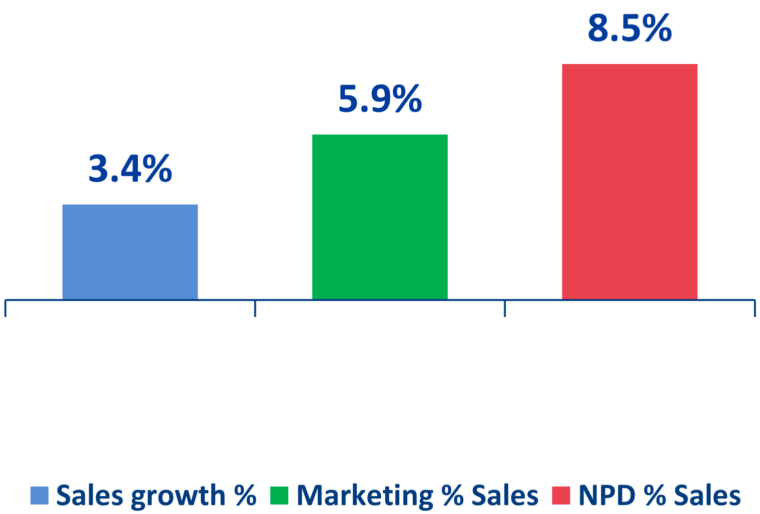
		Category	Volume	Sales	Share
Flavourings & Seasonings	Bisto	+0.8%	+2%	+3%	+1.1ppt
	OXO		+1%	+1%	+0.1ppt
Cake	Mr Kipling	+1.0%	+5%	+3%	+0.5ppt
	Cadbury		+8%	+9%	+1.1ppt
Total Categories		+0.1%	(1%)	0%	(0.7ppt)

Source: Kantar Worldpanel, 52 w/e 27 March 2016 2 years average growth

6 MAJOR BRANDS DELIVERING SALES GROWTH OF 3.4%

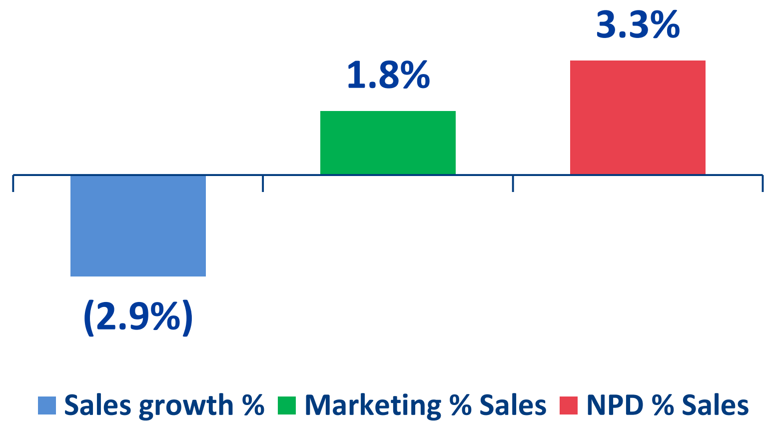
Driven by marketing investment and innovation

Top 6 performing brands



c.60% of branded sales

Ambrosia + Batchelors



c.25% of branded sales

BRANDS RETURN TO GROWTH FOLLOWING INVESTMENT

6 Brands have received disproportionate focus so far

2014	Marketing Investment & Innovation (15 months)		2015/16
Sales decline	Investment	Product Launches	Sales growth
3.5% ↓	£31m	20	3.4% ↑

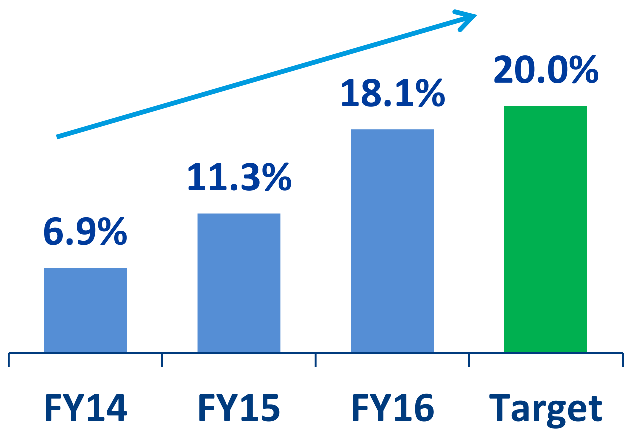
3.5% ↓ → £31m + 20 = 3.4% ↑

All data is Company sourced FY15/16 and FY14

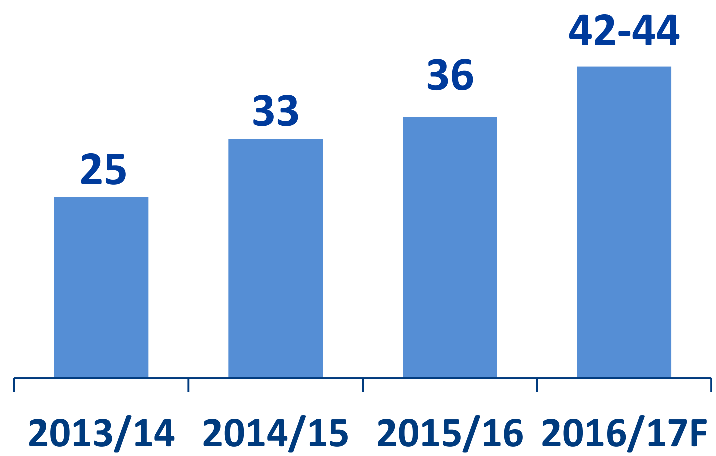
INNOVATION AND BRAND INVESTMENT

9 brands planned for TV advertising in FY16/17

Sales from innovation



Consumer marketing (£m)



Source: IRI, New & Existing product development, 52 w/e 19 March 2016

WHAT'S NEXT FOR AMBROSIA AND BATCHELORS?

TV advertising and new product launches

Ambrosia

Deluxe Custard and Frozen Custard

Consumer Trends

Premium **Indulgence**

Batchelors

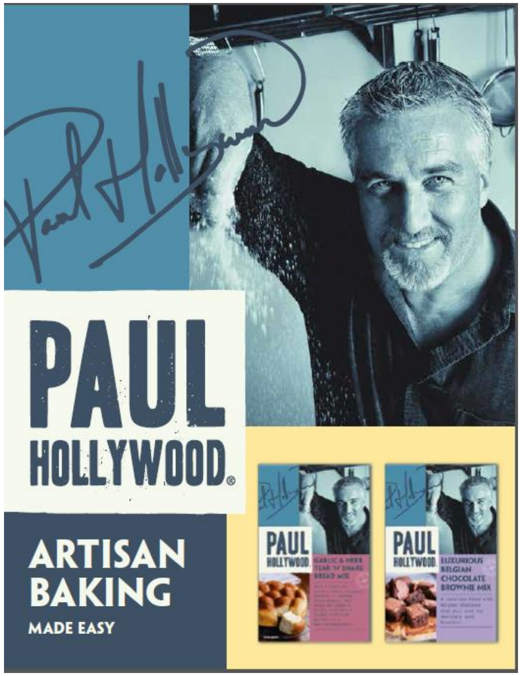
Protein & Veg Pots and Soup ranges

Consumer Trends

Convenience **Foodieness** **Healthier**

PAUL HOLLYWOOD - FIRST NEW BRAND IN 20 YEARS

Exciting new partnership to revitalise Homebaking category



NOW LISTED IN MOST MAJOR RETAILERS

- Homebaking category worth £387m[1] per annum
- 5th category for Grocery business - an historically under-invested category
- Unique range of 12 bread, savoury and sweet baking mixes launched in Q4
- Reflects Paul Hollywood vision to make artisanal baking more accessible
- Marketing plans for existing portfolio unaffected by new partnership

1 – Kantar Worldpanel, 52 w/e 16 August 2015

REVENUE MANAGEMENT

Premiumisation strategy and promotional efficiency

Premiumisation

Typical % premium per serving

+25-100%

Premium product sales % total Group sales

3%

Premium NPD launches as % total launches

65%

Promotional Efficiency

Display

- Off-shelf feature key to driving volumes
- 27% more shipper volumes over Christmas

+5%

ROI

- Increased return on investment in critical Q3 trading period

GROWTH CHANNELS

Delivering strong growth; broadly in line with market

PREMIER FOODS

Online[1]

+9.6%	+9.1%
Market	Premier Foods

- Head of Digital appointed
- Online specific joint business plans
- Tracking tools now used to ensure maximum impact for user
- Improved image relevancy and search functionality

Hard Discounters[1,2]

14.8%	13.8%
Market	Premier Foods

- Growing in both Grocery and Sweet Treats
- Non-branded Mince pie business delivered especially strong volumes
- Non-branded desserts contract wins

Source: 1 - Kantar Worldpanel, 52 w/e 27 March 2016; 2 – Hard discounters for Premier Foods is FY15/16 Turnover

INTERNATIONAL SALES UP 18%[1]

Strong growth in USA & Australia; People investment in FY15/16

Australasia		USA		People
+47%	+4.6ppt	+23%	+2.2ppt	9 → 28
FY Sales growth	Indian sauces market share	FY Sales growth	Indian sauces market share	

USA

1. Encouraging results from Mr Kipling cake trial in USA in Q3
2. Apple, Fruit and Mississippi Mud Pies in 250 stores

People

- Significant increase in team since 2014
- Investment focused on strategic growth geographies
  - – USA, Australia, Middle East

1 – Constant currency, including Ireland

SUPPLY CHAIN EFFICIENCY

Targeting further cost reduction across supply chain in FY16/17

Line Efficiency	Streamlined Teams	Logistics Restructuring

Line Efficiency

- 3rd party expertise advising on manufacturing process
- Targeting improved quality and product consistency
- Reduced waste and increased efficiency

Streamlined Teams

- Planned headcount reduction across Grocery manufacturing sites
- Focuses on line management
- Expected to increase flexibility across plant lines

Logistics Restructuring

- Significant opportunity to consolidate distribution centres
- Potential savings in both warehousing and distribution
- Majority of restructuring costs & benefits FY17/18

HEALTH & NUTRITION

Refreshed 3 year plan to encourage healthier choices

Market context

- Consumers increasingly looking for healthier options
- Sugar has become a major focus
- Government to publish Childhood Obesity Strategy in 2016

Comprehensive 3-year plan covering broad portfolio

- Reduce sugar in cake, desserts and cooking sauce brands
- Introduce calorie caps for individual cakes and expand single portion packs as % of portfolio
- Launch nutritious new products with wholesome ingredients
- Reduce salt levels further
- Continue voluntary front of pack traffic light labelling and tighten marketing restrictions

Gavin Darby
Chief Executive Officer

Accelerating Growth

NEW STRATEGIC INITIATIVES TO ACCELERATE GROWTH

Strategic growth initiatives across all 3 business units

1 Sweet Treats	2 Grocery	3 International
Build on the successful performance of Sweet Treats over the last 18 months by investing further in our Cake on the Go offering	Leverage our brands and retailer relationships to drive growth outside ambient, into chilled groceries	Accelerate International roll out strategy which is already demonstrating the potential to deliver important growth for the future

CONSUMER TRENDS INDICATE SIGNIFICANT GROWTH HEADROOM FOR CAKE ON THE GO

"On the Go" food in significant growth

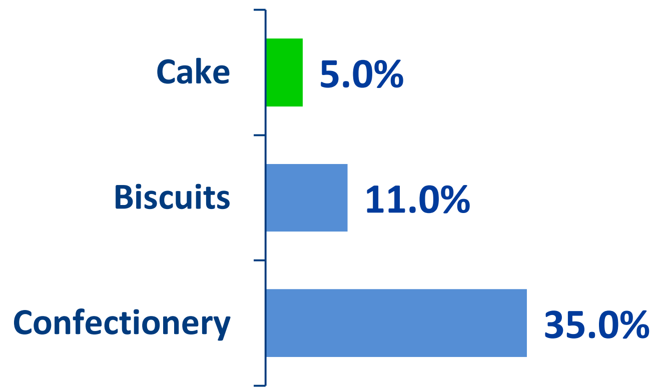
Cake category is underdeveloped

Under trade in convenience channels where Sweet Treats "On the Go" purchase takes place

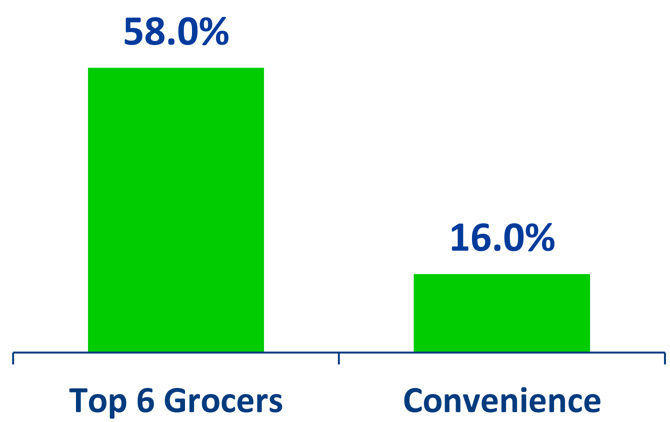
Food on the Go market is now worth £19.3bn and is growing at 1.6% YoY[1]

Sweet Treats Categories

% Sales from On the Go Products



Premier % Share of Branded Cake by Channel



Source : IRI 52 weeks ending 20th February 2016

1. *Kantar Worldpanel Out of Home Snacking 52 w/e 27th March 2016*

'CAKE ON THE GO' DUAL PHASE APPROACH

Targeting 5,000 retail outlets

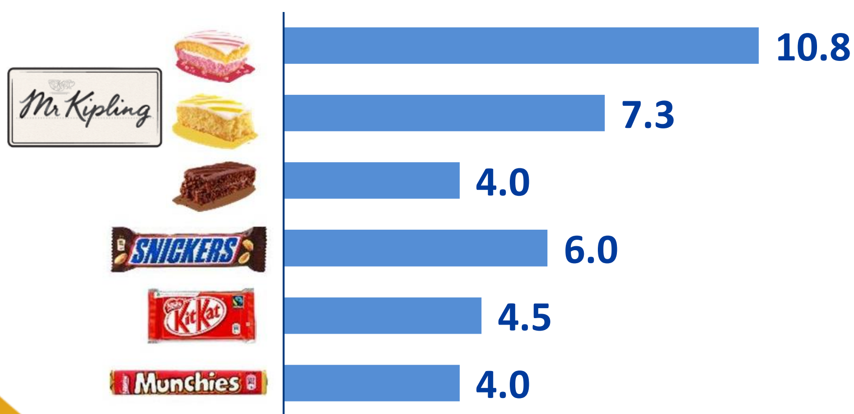
PHASE ONE - TRIAL

- National 21 store trial in Convenience channel
- Average Rate of Sale of 3.8 – outsold key competitor (McVities flapjacks)[1]
- In 1 store Angel Slice twinpack outsold Snickers & Kit Kat (Costcutter Manchester)[1]

PHASE TWO – NATIONAL ROLL-OUT

1. **Manufacturing Capability In Place**
   - £20m investment has twin-pack format capability
   - Further innovation on Exceedingly Good range
2. **New team recruited**
   - 10 strong team with relevant experience
   - Dedicated field merchandising
3. **Marketing – Outdoor advertising & TV sponsorship**

Encouraging Trial Rate of Sale Results



Instore Activation

Launch Range

1 – Store level EPOS – Reach inform analytics, IRI data

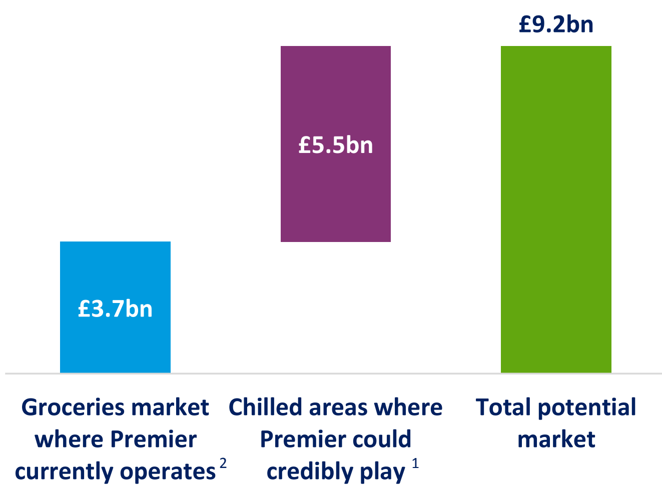
Grocery

EXPANDING GROCERY FROM AMBIENT TO CHILLED

Significant opportunities in several areas of Chilled

PREMIER FOODS

Chilled potentially doubles our market opportunity



If we were to achieve even a small share of our chilled target addressable market, this could result in significant retail sales value

Strategy to seize

1 Leverage strong brand equity

Batchelors · Ambrosia · Bisto

2 Continue to innovate through new formats and products in various segments

Potential examples:

- Light meals
- Soups
- Chilled pies
- Chilled desserts
- Breakfast

1. Kantar GB Category Tracking Gold 52 w/e 8th November 2015

2. Kantar Worldpanel 52 w/e 27th March 2016

CHILLED EXPANSION: AMBROSIA EXAMPLE

Grocery

Ambrosia has ability to expand into Chilled & Frozen

PREMIER FOODS

DEEP CONSUMER INSIGHT

Full Research and U&A study

Time of day

Motivation

Need State Modelling

CHILLED OPPORTUNITIES IDENTIFIED

Simple Goodness

Good start to the day

End of day reward

AMBROSIA BRAND

49% Household penetration

95% Prompted awareness

100 years Brand heritage

PRODUCT ROLL-OUT

Frozen Custard Ice Cream

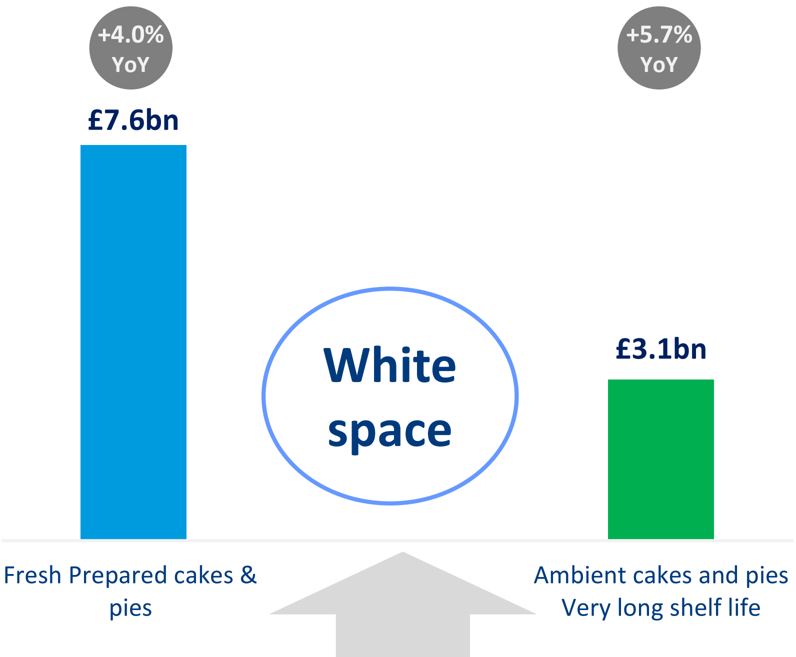
Chilled Desserts

Breakfast

INCREASING OUR REACH THROUGH EXPANSION INTO NEW LARGE MARKETS

Accelerating roll-out of cake in the US after a successful trial

US market opportunity



Use Premier's differentiated offering with unique formats and packaging to access white space

Strategy to seize

- ✓ Leverage existing relationship in the US
- ✓ Rely on existing manufacturing capability in the UK (unique snack pack format)
- ✓ Use unique product and format packaging
- ✓ Build on experience from 250 stores trial

Source: Mintel June 2014

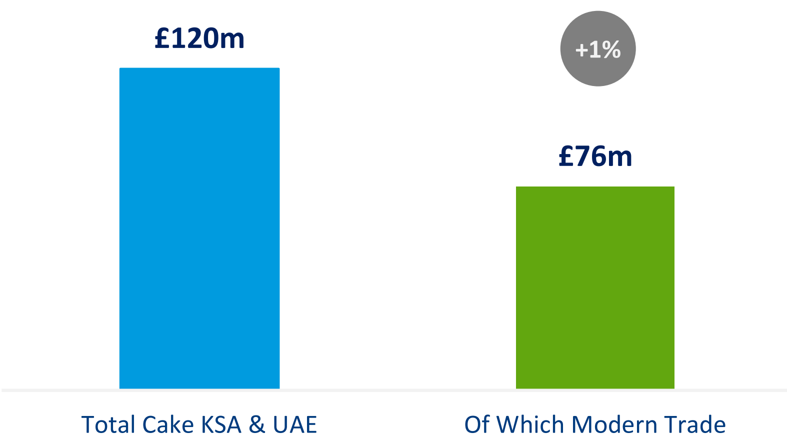
International

INCREASING OUR REACH THROUGH DRIVING GROWTH IN *"ACCESSIBLE"* MARKETS

Create excitement in cake category in Middle East with Cadbury

Middle East market opportunity

- Total Cake Market £120m (Nielsen Dec 15 MAT)
- Modern trade largest sector and showing category growth YOY



Strategy to seize

✓	Seek to extend existing Cadbury licence agreement
✓	Leverage Cadbury brand equity in market
✓	Use existing manufacturing capability in UK
✓	Link with preferred distribution partner

3

Gavin Darby
Chief Executive Officer
Nissin opportunities

OPPORTUNITIES TO DRIVE MUTUAL GROWTH

NISSIN BRANDED PRODUCTS IN UK

- Leverage Premier Foods category positions
- Drive authenticity in market

PREMIER BRANDED PRODUCTS USING NISSIN IP

- Introduce Nissin products under Batchelors
- Development of co-branded products

INTERNATIONAL GROWTH
Example markets

			
Factories	3	7	2
Employees	c.1,200	c.3,000	c.1,700
Sales (USD)	310m	300m	192m
Population	318.9m	1,364.3m	206.1m

- Utilise Nissin's international presence in 19 countries to distribute PF brands and products

SUPPLY CHAIN OPPORTUNITIES

- Sharing production expertise to improve efficiency and quality
- Explore procurement opportunities

Sources: World bank, USA sales include Mexico & Columbia

POTENTIAL APPLICATION OF PATENT EXAMPLES

SEGMENT	PATENT	POTENTIAL APPLICATION
Noodles	Laminated multi-layered noodles, allowing another flavour/texture of noodles to be sandwiched between standard noodles	Batchelors Super Noodles extension 
	Instant microwaveable noodles that do not require draining	Batchelors Deli Box refresh 
	Laser perforation technology that makes thicker noodles hydrate quickly	Batchelors Super Noodles XL launch 
Non Noodles	Rice that reconstitutes instantly in hot water	Batchelors Deli Box extension 
	Low-fat powdered soup with mouth-feel of conventional soup	Batchelors CupaSoup Upgrade 
	A method of freeze-drying meat so that it reconstitutes to near fresh taste and texture in hot water	Batchelors Deli Box refresh/ PastaNSauce Refresh   

PARTNERSHIP NEXT STEPS

Work streams in place and underway

- ✓ Relationship agreement signed
- ✓ Non-executive Board member Mr.Kijima, appointed with effect from 21 July 2016
- ✓ Major activity work streams identified and underway
    1. Nissin branded products in UK
    2. Premier branded products using Nissin intellectual property
    3. International expansion
    4. Supply chain opportunities
- ✓ Key introductory visits now underway
- ✓ Work streams owners appointed from both sides
- ✓ Dedicated programme manager in place

SUMMARY

- Our investment strategy is delivering
- Sales growth +0.6% in FY and +1.4% in Q4
- Adjusted PBT and eps up +3.5% and +4.6% respectively
- Net debt reduced to £534m
- IAS 19 pension schemes position continues to improve

OUTLOOK/GUIDANCE

- FY16/17 sales outlook expected to be in line with Medium term branded sales growth guidance of 2-4%
- Consumer marketing expected to be £42-£44m in FY16/17
- Ongoing focus on brand investment continues; 9 brands planned for TV in FY16/17
- Additional focus on supply chain efficiency in FY16/17
- Expect Net debt to reduce but at a slower rate than prior year

Q & A


Cadbury
NEW
OMG! THESE ARE
AMAZE BITES
14 DOUBLE BLENDED BITES OF DOUBLE CHOCOLATE BROWNIE CAKE
14 DOUBLE BLENDED BITES OF CHOCOLATE AND MINT FLAVOUR BROWNIE CAKE
14 DOUBLE BLENDED BITES OF CHOCOLATE AND ORANGE FLAVOUR BROWNIE CAKE
#FREETHEJOY

Appendix

NEW
Cadbury
OMG! THESE ARE
AMAZE BITES
14 DOUBLE BLENDED BITES OF DOUBLE CHOCOLATE BROWNIE CAKE
14 DOUBLE BLENDED BITES OF CHOCOLATE AND MINT FLAVOUR BROWNIE CAKE
14 DOUBLE BLENDED BITES OF CHOCOLATE AND ORANGE FLAVOUR BROWNIE CAKE
#FREETHEJOY

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

- The period 'FY15/16' refers to the 52 weeks ended 2 April 2016. The period 'FY14/15' refers to the 52 weeks ending 4 April 2015.
- The period 'Q4' refers to the thirteen weeks ended 2 April 2016.
- Trading profit for the underlying business is reconciled to continuing operations Trading profit in the appendices and is defined as Operating profit before amortisation of intangible assets, impairment, fair value movements on foreign exchange and other derivative contracts, restructuring costs, profits and losses associated with divestment activity and net interest on pensions and administration costs.
- EBITDA is Trading profit excluding depreciation.
- Adjusted profit before tax is defined as Trading profit for the underlying business less net regular interest. Net regular interest is defined as net finance cost after excluding write-off of financing costs, fair value movements on interest rate financial instruments and other interest. Adjusted earnings per share is defined as Adjusted profit before tax less a notional tax charge of 20.0% (2014/15: 21.0%) divided by the weighted average of the number of shares of 826.0 million (52 weeks ended 4 April 2015: 824.4 million). The weighted average of the number of shares and notional tax charge for the financial period from 1 January 2014 to 4 April 2015 was 731.4 million and 21.4% respectively.
- International sales growth is stated excluding the impact of foreign currency movements.

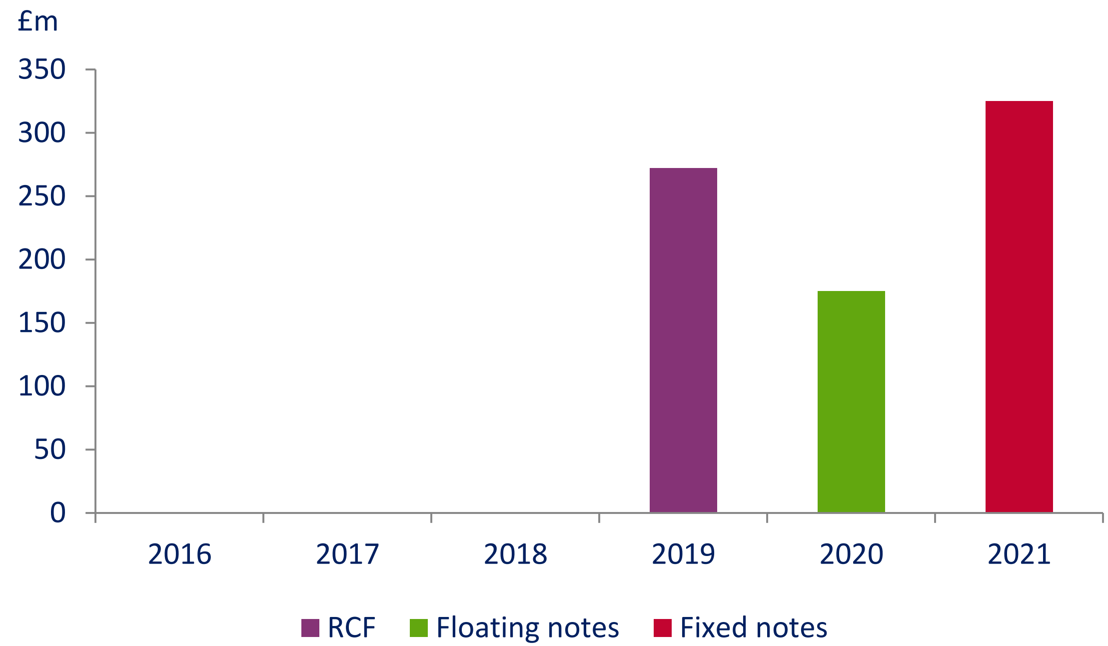
SEGMENTAL COMPARATIVES

52 Weeks to 2 April 2016 to reflect consolidation of Knighton

£m	Q1 (13 weeks)	Q2 (13 weeks)	H1 (26 weeks)	Q3 (13 weeks)	Q4 (13 weeks)	FY (52 weeks)
Grocery						
Branded sales	110.1	116.1	226.2	155.0	123.7	504.9
Non-branded sales	16.1	18.4	34.5	20.7	18.1	73.3
Total sales	126.2	134.5	260.7	175.7	141.8	578.2
Divisional contribution	-	-	60.2	-	-	140.2
Sweet Treats						
Branded sales	40.0	40.4	80.4	53.0	45.1	178.5
Non-branded sales	6.0	7.4	13.4	25.2	6.0	44.6
Total sales	46.0	47.8	93.8	78.2	51.1	223.1
Divisional contribution	-	-	7.4	-	-	25.0
Group						
Branded sales	150.1	156.5	306.6	208.0	168.8	683.4
Non-branded sales	22.1	25.8	47.9	45.9	24.1	117.9
Total sales	172.2	182.3	354.5	253.9	192.9	801.3
Divisional contribution	-	-	67.6	-	-	165.2
Group & corporate	-	-	(17.6)	-	-	(36.1)
Trading profit	-	-	50.0	-	-	129.1
EBITDA	-	-	58.3	-	-	146.5

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
- Net debt/EBITDA: Medium term target 2.5x
  - FY15/16 = 3.6x
- Dividend payable when Net debt / EBITDA <3.0x



INTEREST

£m	FY15/16	FY14/15
Senior secured notes interest	31	31
Bank debt interest	9	10
Securitisation interest	1	3
Cash interest	**41**	**44**
Amortisation and deferred fees	4	4
Net regular interest	**45**	**48**

TAX

- Deferred tax asset of £26m at 2 April 2016 (4 April 2015: £42m)
- Capital allowances in excess of depreciation
- Deferred tax assets relating to losses = £71m, equivalent to c.£400m taxable profits in future periods
- Notional corporation tax expected to be 20.0% in FY16/17; deferred tax rate 18.0%
- Cash tax expected to be nil for medium term (subject to Finance Act 2016)

PENSIONS – COMBINED SCHEMES

£m	2 April 2016	4 April 2015
Assets	4,343	4,248
Liabilities	(4,212)	(4,460)
Surplus/(Deficit)	**131**	**(212)**
Surplus/(Deficit) net of notional tax	**105**	**(167)**

Key IAS 19 assumptions	2 April 2016	4 April 2015
Discount rate	3.55%	3.30%
Inflation rate (RPI/CPI)	3.0%/1.9%	3.0%/1.9%
Mortality assumptions	LTI +1.0%	LTI +1.0%

- Combined schemes surplus reflects RHM schemes surplus of £551m partly offset by Premier schemes deficit of £420m

Scheme Assets (£m)	2 April 2016	4 April 2015
Equities	405	349
Government bonds	475	547
Corporate bonds	2	330
Property	292	260
Absolute/Target return	1,228	1,333
Cash	327	294
Infrastructure funds	228	196
Swaps	863	430
Private equity	259	251
Other	264	258
Total	**4,343**	**4,248**

PENSION DEFICIT SCHEDULE CONTRIBUTIONS

£m	2016/17	2017/18	2018/19	2019/20
Deficit contributions	48	49	44	44
Administration costs (including PPF levy)	8-10	8-10	8-10	8-10
Total cash outflow	**56-58**	**57-59**	**52-54**	**52-54**

- Table above 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	170	181	11
25 basis point increase in credit spreads	-	(170)	(170)
25 basis point increase in RPI	55	71	16
Life expectancy increase by 1 year	-	171	171

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

BALANCE SHEET

£m	2 April 2016	4 April 2015
Property, plant & equipment	188	183
Intangibles / Goodwill	1,145	1,174
Retirement assets	551	242
Investments & loans to associates	-	35
Deferred tax	26	42
Non-current Assets	**1,910**	**1,676**
Working Capital - Stock	63	69
- Debtors	101	124
- Creditors	(205)	(213)
Total Working Capital	**(41)**	**(20)**
Net debt		
Gross debt	(542)	(630)
Cash	8	45
Total Net debt	**(534)**	**(585)**
Pension liabilities	(420)	(453)
Other net liabilities	(66)	(78)
Net Assets	849	540
Share capital & premium	1,489	1,489
Reserves	(640)	(949)
Total equity	849	540