GREENCORE GROUP PLC
INTERIM RESULTS
Double-digit EPS growth despite challenging market conditions

Greencore Group plc, a leading international convenience food producer, today announces its unaudited interim results for the 26 weeks ended 29 March 2013

HIGHLIGHTS

- Group revenue of £572.9m, up 0.9%;
- Convenience Foods revenue of £542.1m, up 1.8%;
- Group operating profit[1] up 6.3% to £33.7m;
- Strong growth in adjusted EPS[2], up 10.9%;
- Interim dividend of 1.90 pence per share, an increase of 8.6% versus H1 12;
- Restructuring of Uniq desserts activity completed with disposal of Minsterley chilled desserts facility;
- Roll out of food to go range in Starbucks USA successfully commenced.

Summary Financial Performance

	H1 13 £m	Change
Group revenue	572.9	+0.9%
Group operating profit[1]	33.7	+6.3%
Group operating margin[1]	5.9%	+30bps
Adjusted PBT[2]	26.5	+9.9%
Adjusted EPS (pence)[2]	6.1	+10.9%
Net debt	272.6	+£14.6m
Convenience Foods Division		
Revenue	542.1	+1.8%
Operating profit[1]	32.1	+4.7%
Operating margin[1]	5.9%	+10 bps

Patrick Coveney, Chief Executive Officer, commented:
"We have made good progress on our strategic agenda during the first half of the year, despite the fact that market conditions throughout the period proved very challenging. In the UK, we have completed the Uniq integration with the restructuring of the desserts business and the disposal of the Minsterley facility, and the integration of International Cuisine is progressing well. In the US, MarketFare and Schau have been integrated and, since the end of April, we are supplying Starbucks from four of our six facilities there.

However the UK retail environment remains under severe pressure and this was exacerbated in Q2 by the horsemeat scandal, which has temporarily driven the ready meals market lower.

Although we expect market conditions to remain tough, we remain confident in our ability to deliver adjusted EPS growth for the financial year in line with expectations."

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1 Operating profit and margin are stated before exceptional items and acquisition related amortisation
2 Adjusted PBT and adjusted earnings measures are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances, and the movement in the fair value of all derivative financial instruments and related debt adjustments
3 Market / category growth rates are based on Nielsen data for the 26 weeks to 30 March 2013

Presentation
A presentation of the interim results will be held for analysts and institutional investors at 8.30am today at Investec Bank plc, 2 Gresham Street, London EC2V 7QP.

This presentation can be accessed live through the following channels:
- Webcast – details on www.greencore.com
- Conference call

Ireland number:	+353 1 486 0921
UK number:	+44 20 3364 5381
Pass code:	7084698

A replay of the presentation will be available on www.greencore.com. It will also be available through a conference call replay facility which will be available for one week – to dial into the replay:-

Ireland replay number:	+353 1 486 0902
UK replay number:	+44 203 427 0598
Replay code:	7084698

For further information, please contact:

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About Greencore
- A leading manufacturer of convenience food in the UK and the US
- Strong market positions in the UK convenience food market across food to go, chilled prepared meals, chilled soups and sauces, ambient sauces & pickles, cakes & desserts and Yorkshire puddings
- A fast growing food to go business in the US, serving both the convenience and small store channel and the grocery channel

SUMMARY

Portfolio and Strategy

During H1 13, we have further cemented the transformation the Group underwent in FY12 to form a business with clear scale and a balanced customer mix:

- In the UK, we completed the integration of Uniq with the transfer of all premium desserts production to the refurbished Evercreech facility and the disposal of the Minsterley facility. The integration of International Cuisine is progressing well.
- In the US, both MarketFare and Schau were integrated, the product portfolio in the Newburyport facility was rationalised and supply to Starbucks commenced under a multi-year, multi-site contract.

This focused portfolio, together with good operating and financial discipline, have enabled us to deliver strong growth in adjusted EPS in the half despite the challenging market conditions.

Financial and Operating Performance[1, 2]

Group revenue increased in the period by 0.9% to £572.9m with growth in the Convenience Foods division of 1.8% to £542.1m. Growth rates in our core markets in the UK were lower than in the prior year, even before the impact of the horsemeat scandal on the ready meals category. Despite this, Group operating profit increased by 6.3% to £33.7m as we maintained good operating and financial discipline and delivered improvements in returns in lower margin businesses.

Adjusted earnings per share were 10.9% higher at 6.1 pence as a result of the growth in operating profit combined with lower year-on-year financing costs and a continued low effective tax rate due to historic tax losses.

Interim Dividend

The Board of Directors is announcing an interim dividend of 1.90p. It remains the Board’s intention to increase the total dividend distribution for the financial year in line with the growth in adjusted earnings per share.

OUTLOOK

We expect market conditions to remain tough during FY13, particularly in the core UK market which shows little or no volume growth and where the ready meals category, which represents c. 15% of Group revenue, is still to recover fully from the horsemeat scandal.

However, the Group is strategically well positioned to confront these challenges given its balanced customer portfolio and exposure to faster growing convenience categories. We continue to see moderating input cost inflation and now expect this to be 2% or below for the financial year. With the tight financial controls we have in place, we remain confident in our ability to deliver adjusted EPS growth for the financial year in line with expectations.

OPERATING REVIEW [1,2,3]

Convenience Foods

Revenue and Operating Profit*

	H1 13 £m	H1 12 £m	Change
Revenue	542.1	532.6	+1.8%
Operating profit	32.1	30.7	+4.7%
Operating margin	5.9%	5.8%	+10bps

**The impact of currency was not material*

Reported revenue in the Convenience Foods division increased by 1.8% in the period to £542.1m. This was significantly impacted by changes in the portfolio during the period.

In the UK, like-for-like revenue (that is excluding both the International Cuisine acquisition and the Uniq desserts activities which were exited or sold) was 1.3% lower. This was due mainly to the impact of the horsemeat scandal on the ready meals business and to lower market growth rates as economic conditions continue to exert pressure on the consumer.

In the US, revenues more than doubled through the net impact of the acquisitions of MarketFare and Schau, as well as portfolio rationalisation in the 'legacy' business, particularly in Newburyport.

Despite the challenging conditions, operating profit increased by 4.7% to £32.1m as we maintained strong financial discipline and delivered improvements in returns in lower margin businesses.

UK Convenience Foods

Food to Go
The UK Food to Go business represents approximately 40% of Convenience Foods revenues and comprises sandwiches, sushi, snack and side of plate salads.

Both the sandwiches sub-category and the broader chilled food to go market experienced lower growth than seen in recent periods. The sandwich sub-category grew by 1.8% in the period while the broader chilled food to go market (sandwiches, sushi and salads) experienced a 0.2% decline. This was predominantly weather related and compared to a period of strong growth in the prior year.

Against this backdrop, revenue in the combined Food to Go business grew by 0.1%. Good gains in listings were made across the Food to Go range in a major retail customer, although overall new business wins were more modest than in the previous year.

Prepared Meals
The Prepared Meals business comprises chilled ready meals, quiches, chilled soup and chilled sauces. The chilled ready meals market saw growth moderate to 3.1% in the period, while the Italian ready meals market, our major sub-category, experienced a 1.8% decline. This was predominantly driven by the impact of the horsemeat scandal which affected the broader processed beef market from late January. Although all industry tests on chilled products were negative for the presence of horsemeat, the chilled ready meals market, in particular Italian meals, was negatively impacted in Q2. The quiche market exhibited more robust performance against a softer comparative with 4.5% growth and the soups market benefitted from poor weather with 10.4% growth.

The Prepared Meals business grew revenue by 10.7% in the period due primarily to the acquisition of the International Cuisine business. On a like-for-like basis (excluding the acquisition of International Cuisine), revenue was 5.9% lower as a result of the decline in ready meals. Across other product categories, namely soup, sauces and quiche, the business performed well, growing in line with, or exceeding, market growth rates. The integration of the International Cuisine business, acquired in August 2012 is progressing as planned. The business is performing well, albeit with some impact from the horsemeat scandal.

More than 200 tests were conducted for the presence of horsemeat on both Greencore finished products and ingredients. All tests were negative at the Food Standards Agency's 1% threshold, except one positive test carried out by Asda, who withdrew the product. A thorough and detailed investigation, including further extensive testing, concluded there was no evidence of contamination and the product was subsequently put back on shelf by Asda. As a response to the broader issue, additional species screening procedures were introduced throughout the supply chain for beef-related ingredients and we continue to work with our customers to rebuild consumer confidence in the supply chain.

Grocery and Frozen

The Grocery and Frozen business provides meal components with Grocery activity focused on cooking sauces, table sauces and pickles and Frozen supplying Yorkshire Puddings. The own label cooking sauce market was flat in the period whilst Yorkshire Puddings grew by 3.1% in value terms.

The businesses performed well with overall revenue growth of 4.5%. This was driven by gains in cooking sauces in the discounter sub-channel and in Yorkshire Puddings in major multiples.

Cakes and Desserts

The Group's cakes and desserts activity includes the Hull facility, the food service desserts facility in Taunton and the chilled desserts facility in Evercreech. The largest sub-category in which we participate, celebration cakes, declined by 3.6% in the period. The cheesecake sub-category, in which we also participate, continued to exhibit good growth.

Overall, Cakes and Desserts revenues were 2.9% lower on a like-for-like basis. The Hull facility experienced modest growth in the period and delivered stronger financial performance than in recent periods due to operational improvements and a lower inflationary environment.

The Food Service desserts business saw modest revenue decline in a tough market; during the period, the business secured additional volumes with a key customer which should underpin growth over the next twelve months.

The refurbishment of the Evercreech facility was completed during the period and the remaining premium desserts lines were all successfully transferred from the Minsterley facility. The disposal of the Minsterley facility was completed at the beginning of January.

US Convenience Foods

The US business has been transformed with the acquisitions in H2 12 of MarketFare and Schau and with the addition of Starbucks as a material new customer. Reported revenues were over 120% higher following the acquisitions. The 'legacy' business in Newburyport and Brockton experienced some planned revenue decline as we decided to exit several unprofitable product lines. This has left a much tighter product portfolio concentrated on food to go and salads. The rationalisation at Newburyport reduced complexity prior to the successful launch of a food to go range for Starbucks in January in the Boston area. Subsequent to the period end, the business has successfully commenced supply to Starbucks from the Jacksonville, Fredericksburg and Chicago facilities.

The MarketFare and Schau businesses have been integrated and we continue to build out capability in the combined business with a blend of assignments from the UK business and local hires. Overall financial performance was enhanced through a combination of the acquired profit streams, tighter product portfolio and combinational benefits.

Ingredients & Property

	H1 13 £m	H1 12 £m	Change Actual Currency	Change Constant Currency
Revenue	30.8	35.1	-12.4%	-9.4%
Operating profit	1.6	1.0	+53.4%	+57.8%

The Ingredients & Property division accounts for around 5% of Group activity. The revenue decline in the period was driven by the edible oils trading activity while the molasses feed business benefitted from the poor weather, reducing grass growth. Despite lower revenues overall, operating profit benefitted from better mix in oils and the growth in molasses revenues.

The planning consent on the Littlehampton site is now definitive and marketing will commence over the next few months as planned. As detailed in the note to the financial statements on exceptional items, the Group has recognised an exceptional charge of £9.2m in the period related to its Irish property portfolio. This comprises an impairment charge following the rezoning of one of the former production facilities and reflecting the continued soft property market, together with a charge for the expected costs to complete the remediation of the former Irish sugar sites.

FINANCIAL REVIEW [1,2]

Revenue and Operating Profit
Revenue in the period was £572.9m, an increase of 0.9% versus H1 12. Group operating profit of £33.7m was 6.3% ahead of the prior year. Operating margin of 5.9% was 30 basis points higher than H1 12.

The impact of currency in the period was a modest reduction in revenue and operating profit, predominantly driven by the relative strengthening of sterling against the euro compared with H1 12.

Interest Payable
The Group's bank interest payable in H1 13 was £7.7m compared to £8.1m in H1 12. This was driven by a lower effective interest rate on the Group's primary bank facilities. The composition of the charge was £7.1m of interest payable, commitment fees for undrawn facilities of £0.3m and an amortisation charge in respect of facility fees of £0.3m.

Non-Cash Finance Charges/Credit
The Group's net non-cash finance charge in H1 13 was £0.1m (£0.2m credit in H1 12). The change in the fair value of derivatives and related debt adjustments was a non-cash credit of £1.9m (£2.5m credit in H1 12) reflecting the impact of marking to market the Group's interest rate swap portfolio. The non-cash pension financing charge of £1.9m was lower than the £2.4m charge in H1 12 and reflects a reduction in interest rates and lower expected return on assets. The charge in respect of the increase in the present value of assets and liabilities held was £0.1m (£0.1m credit in H1 12).

Taxation
The Group's effective tax rate in H1 13 (including the tax impact associated with pension finance items) was 1% compared to a rate of 4% in FY12.

The Group's effective tax rate continues to benefit from historic tax losses. The reduction in the period reflects the enactment of changes in corporation tax rates in jurisdictions where the Group operates and the net movement in current and deferred tax provisions.

Exceptional Items
The Group recognised a net exceptional credit in the period of £0.4m. The breakdown is as follows:

- a charge of £2.2m in connection with (i) the completion of the integration of the Uniq business including the Chilled Desserts restructuring and (ii) the integration of the International Cuisine business acquired in August 2012;
- a charge of £1.1m in connection with the integration of the acquisitions of MarketFare and Schau in the US;
- a charge of £9.2m related to the Group's Irish property portfolio. This comprises an impairment charge of £4.3m following the change in zoning of a large area owned by the Group together with continued soft property market conditions, and an additional charge of £4.8m in connection with the remediation of the former sugar processing sites;
- a credit of £4.4m representing a curtailment gain in connection with the Greencore Group pension scheme;
- a tax credit of £7.8m in connection with the resolution of a number of tax positions, including the settlement of an overseas tax case; and
- a tax credit of £0.7m in connection with the UK integration costs.

Earnings per Share
Adjusted earnings of £23.8m in the period were 12.9% ahead of the prior year. Adjusted earnings per share of 6.1 pence were 10.9% ahead of H1 12.

Cash Flow and Net Debt
A net cash inflow from operating activities of £5.3m was recorded compared to an inflow of £7.8m in H1 12. The modest reduction in inflow was primarily due to a larger seasonal working capital outflow in the half than in H1 12 which benefitted from reductions of working capital in the former Uniq businesses.

Capital expenditure of £18.4m was incurred in the period compared to £14.1m in H1 12 with the increase driven predominantly by the acquisition of the freehold of the Bristol facility and expenditure in acquired businesses. Interest costs of £7.5m were paid in the period with cash dividends to equity holders of £4.8m.

The Group's net debt at 29 March 2013 was £272.6m, an increase of £14.6m from 28 September 2012. This increase was driven by the seasonal working capital outflow and higher capital expenditure, together with an adverse movement in the translation of US dollar debt of £5.0m. There were no movements on the Group's committed debt facilities other than a movement in drawings under the Group's revolving credit facility.

Pensions

The net pension deficit (before related deferred tax) increased to £155.9m at 29 March 2013 from £141.8m at 28 September 2012. The net pension deficit after related deferred tax was £126.0m, an increase of £10.1m from 28 September 2012.

The fair value of total plan assets relating to the Group's defined benefit pension schemes (excluding associates) increased to £378.2m at 29 March 2013 from £345.7m at 28 September 2012. The present value of the total pension liabilities for these schemes increased to £533.5m from £486.9m over the same period. Liabilities increased more quickly than asset values as there was a material increase in UK inflation expectations despite a further fall in discount rates.

All defined benefit pension scheme plans are closed to future accrual and the Group's pension policy with effect from 1 January 2010 is that future service for current employees and new entrants is provided under defined contribution pension arrangements.

Subsequent to the period end, the Group entered into arrangements with the Hazlewood Foods Defined Benefit Pension Scheme Trustees to address £40m of the actuarial deficit in the scheme through an asset backed structure. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest triennial valuation, whilst improving the security of the pension scheme members' benefits. This agreement is described in more detail in note 15 to the condensed financial statements.

Related Party Transactions

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period. In addition, there were no changes in related party transactions from the last Annual Report that could have had a material effect on the financial position or performance of the Group in the first six months.

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remainder of the financial year and could cause actual results to differ materially from expected and historical results. In particular, the timing and pace of recovery in consumer demand in the chilled ready meals market following the horsemeat scandal remains uncertain. The Board considers the risks and uncertainties described on pages 14 and 15 of the Annual Report and Accounts for the year ended 28 September 2012 issued on 27 November 2012 to remain applicable. These risks are as follows:

Strategic risks

- Competitor activity
- Expansion

Commercial risks

- Changes in consumer behaviour and demand
- Loss of key customer relationships
- Commodity price / input cost fluctuations

Operational risks

- Food safety, environmental and health and safety
- Loss of manufacturing capability
- Loss of key personnel

Financial risks

- Interest rates, foreign exchange rates, liquidity and credit
- Employee retirement obligations

Other

- Property development

Forward-Looking Statements

Certain statements made in this announcement are forward-looking. These represent expectations for the Group's business, and involve risks and uncertainties. The Group has based these forward-looking statements on current expectations and projections about future events. The Group believes that expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which in some cases are beyond the Group's control, actual results or performance, may differ materially from those expressed or implied by such forward-looking statements.

P.G. Kennedy, Chairman
21 May 2013

GROUP CONDENSED INCOME STATEMENT
for the half year ended 29 March 2013

	Notes	Half Year Ended 29 March 2013 (Unaudited) Pre – exceptional £'000	Exceptional (Note 5) £'000	Total £'000	Half Year ended 30 March 2012 (Unaudited) Pre – exceptional £'000	Exceptional (Note 5) £'000	Total £'000
Revenue	3	**572,886**	**-**	**572,886**	567,681	-	567,681
Cost of sales		**(399,288)**	**-**	**(399,288)**	(396,457)	-	(396,457)
Gross profit		**173,598**	**-**	**173,598**	171,224	-	171,224
Operating costs, net		**(139,913)**	**(8,133)**	**(148,046)**	(139,533)	(3,438)	(142,971)
Group operating profit before acquisition related amortisation	3	**33,685**	**(8,133)**	**25,552**	31,691	(3,438)	28,253
Amortisation of acquisition related intangibles		**(4,128)**	**-**	**(4,128)**	(4,817)	-	(4,817)
Group operating profit	3	**29,557**	**(8,133)**	**21,424**	26,874	(3,438)	23,436
Finance income	11	**8,673**	**-**	**8,673**	9,160	-	9,160
Finance costs	11	**(16,405)**	**-**	**(16,405)**	(17,085)	-	(17,085)
Share of profit of associates after tax		**389**	**-**	**389**	325	-	325
Profit before taxation		**22,214**	**(8,133)**	**14,081**	19,274	(3,438)	15,836
Taxation	6	**(198)**	**8,559**	**8,361**	(658)	753	95
Profit for the financial period		**22,016**	**426**	**22,442**	18,616	(2,685)	15,931
Attributable to:							
Equity shareholders		**21,215**	**426**	**21,641**	18,102	(2,685)	15,417
Non-controlling interests		**801**	**-**	**801**	514	-	514
		22,016	**426**	**22,442**	18,616	(2,685)	15,931

Earnings per share (pence)			
Basic earnings per share	8	**5.5**	4.0
Diluted earnings per share	8	**5.4**	4.0

GROUP CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE for the half year ended 29 March 2013

	Half Year ended 29 March 2013 (Unaudited) £'000	Half year ended 30 March 2012 (Unaudited) £'000
Items of income and expense taken directly to equity		
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on Group defined benefit pension schemes	**(21,559)**	3,739
Deferred tax on Group defined benefit pension schemes	**4,259**	(270)
	(17,300)	3,469
Items that may subsequently be reclassified to profit or loss:		
Currency translation adjustment	**3,568**	(781)
Current tax on currency translation adjustment	**(127)**	151
Hedge of net investment in foreign currency subsidiaries	**(4,884)**	1,266
Cash flow hedges:		
fair value movement taken to equity	**(625)**	(1,004)
deferred tax on fair value movement taken to equity	**144**	241
transfer to Income Statement for the period	**326**	168
deferred tax on transfer to Income Statement for the period	**(75)**	(40)
	(1,673)	1
Net (expense)/income recognised directly within equity	**(18,973)**	3,470
Group result for the financial period	**22,442**	15,931
Total recognised income and expense for the financial period	**3,469**	19,401
Attributable to:		
Equity shareholders	**2,466**	18,983
Non-controlling interests	**1,003**	418
Total recognised income and expense for the financial period	**3,469**	19,401

GROUP CONDENSED BALANCE SHEET
at 29 March 2013

	Notes	**March 2013** **(Unaudited)** **£'000**	March 2012 †*As re-presented* (Unaudited) £'000	Sept 2012 †*As re-presented* (Unaudited) £'000
ASSETS				
Non-current assets				
Intangible assets	9	**503,587**	478,568	503,025
Property, plant and equipment	9	**226,322**	209,487	226,301
Investment property	9	**28,635**	34,555	31,961
Investments in associates		**918**	882	548
Other receivables		**941**	2,836	2,817
Derivative financial instruments	11	**13,811**	12,877	11,888
Deferred tax assets		**61,165**	57,044	61,164
Total non-current assets		**835,379**	796,249	837,704
Current assets				
Inventories		**50,170**	50,540	54,366
Trade and other receivables		**100,232**	113,510	107,304
Derivative financial instruments	11	**2,665**	-	170
Cash and cash equivalents	11	**13,102**	16,527	18,751
Total current assets		**166,169**	180,577	180,591
Total assets		**1,001,548**	976,826	1,018,295
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	10	**117,637**	120,864	120,920
Share premium		**176,859**	168,478	171,469
Reserves		**(102,265)**	(84,392)	(95,116)
		192,231	204,950	197,273
Non-controlling interests		**4,047**	3,160	3,246
Total equity		**196,278**	208,110	200,519
LIABILITIES				
Non-current liabilities				
Borrowings	11	**251,332**	291,600	288,647
Derivative financial instruments		**5,728**	8,288	9,017
Retirement benefit obligations	14	**155,860**	121,276	141,841
Other payables		**2,252**	2,643	3,089
Provisions for liabilities	12	**15,852**	14,676	12,112
Deferred tax liabilities		**31,839**	31,113	28,833
Government grants		**64**	77	70
Total non-current liabilities		**462,927**	469,673	483,609
Current liabilities				
Borrowings	11	**50,713**	-	-
Derivative financial instruments		**1,876**	28	-
Trade and other payables		**258,580**	252,385	282,993
Consideration payable on acquisitions		**1,316**	-	3,701
Provisions for liabilities	12	**5,490**	12,687	8,963
Current taxes payable		**24,368**	33,943	38,510
Total current liabilities		**342,343**	299,043	334,167
Total liabilities		**805,270**	768,716	817,776
Total equity and liabilities		**1,001,548**	976,826	1,018,295

†*As re-presented to reflect adjustments to provisional fair values previously recognised on business combinations as set out in Note 16*

GROUP CONDENSED CASH FLOW STATEMENT
for the half year ended 29 March 2013

	Half year ended 29 March 2013 (Unaudited) £'000	Half year ended 30 March 2012 (Unaudited) £'000
Profit before taxation	**14,081**	15,836
Finance income	**(8,673)**	(9,160)
Finance costs	**16,405**	17,085
Share of profit of associates (after tax)	**(389)**	(325)
Exceptional items	**8,133**	3,438
Operating profit (pre-exceptional)	**29,557**	26,874
Depreciation	**11,525**	10,970
Amortisation of intangible assets	**4,831**	5,513
Employee share option expense	**935**	822
Amortisation of government grants	**(6)**	(6)
Difference between pension charge and cash contributions	**(6,300)**	(7,047)
Working capital movement	**(17,320)**	(12,210)
Other movements	**442**	171
Net cash inflow from operating activities before exceptional items	**23,664**	25,087
Cash outflow related to exceptional items	**(10,585)**	(10,083)
Interest paid	**(7,491)**	(7,046)
Tax paid	**(254)**	(163)
Net cash inflow from operating activities	**5,334**	7,795
Cash flow from investing activities		
Dividends received from associates	**20**	25
Purchase of property, plant and equipment	**(17,309)**	(11,531)
Purchase of investment property	**(237)**	(1,332)
Purchase of intangible assets	**(856)**	(1,188)
Acquisition of undertakings	**(1,984)**	(113,316)
Disposal of undertakings	**10,393**	185
Interest received	**176**	24
Net cash outflow from investing activities	**(9,797)**	(127,133)
Cash flow from financing activities		
Proceeds from/(costs of) issue of shares	**125**	(5)
Ordinary shares purchased – own shares	**(709)**	-
Increase in bank borrowings	**3,107**	58,561
Inception of finance lease liabilities	**1,045**	-
Dividends paid to equity holders of the Company	**(4,847)**	(4,082)
Dividends paid to non-controlling interests	**(202)**	(220)
Net cash (outflow)/inflow from financing activities	**(1,481)**	54,254
Net decrease in cash and cash equivalents	**(5,944)**	(65,084)
Reconciliation of opening to closing cash and cash equivalents		
Cash and cash equivalents at beginning of period	**18,751**	81,564
Translation adjustment	**295**	47
Decrease in cash and cash equivalents	**(5,944)**	(65,084)
Cash and cash equivalents at end of period	**13,102**	16,527

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the half year ended 29 March 2013

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 28 September 2012	**120,920**	**171,469**	**(11,758)**	**(83,358)**	**197,273**	**3,246**	**200,519**
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	3,366	-	3,366	202	3,568
Current tax on currency translation adjustment	-	-	-	(127)	(127)	-	(127)
Net investment hedge	-	-	(4,884)	-	(4,884)	-	(4,884)
Actuarial loss on Group defined benefit pension schemes	-	-	-	(21,559)	(21,559)	-	(21,559)
Deferred tax on Group defined benefit pension schemes	-	-	-	4,259	4,259	-	4,259
Cash flow hedges							
fair value movement taken to equity	-	-	(625)	-	(625)	-	(625)
deferred tax on fair value movement taken to equity	-	-	144	-	144	-	144
transfer to Income Statement for the period	-	-	326	-	326	-	326
deferred tax on transfer to the Income Statement for the period	-	-	(75)	-	(75)	-	(75)
Profit for the financial period	-	-	-	21,641	21,641	801	22,442
Total recognised income and expense for the financial period	-	-	(1,748)	4,214	2,466	1,003	3,469
Employee share option expense	-	-	935	-	935	-	935
Exercise, lapse or forfeit of share options	-	-	(1,160)	1,160	-	-	-
Shares acquired by Deferred Share Awards Trust	-	-	(738)	29	(709)	-	(709)
Shares granted to beneficiaries of the Deferred Share Awards Trust	-	-	839	(839)	-	-	-
Cancellation of deferred shares	(3,312)	3,312	-	-	-	-	-
Issue of shares	2	123	-	-	125	-	125
Dividends	27	1,955	-	(9,841)	(7,859)	(202)	(8,061)
At 29 March 2013	**117,637**	**176,859**	**(13,630)**	**(88,635)**	**192,231**	**4,047**	**196,278**

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 29 March 2013

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 30 September 2011	117,004	171,010	(14,792)	(81,584)	191,638	2,962	194,600
Items of income and expense taken directly to equity							
Currency translation adjustment	-	-	(685)	-	(685)	(96)	(781)
Current tax on currency translation adjustment	-	-	-	151	151	-	151
Net investment hedge	-	-	1,266	-	1,266	-	1,266
Actuarial gain on Group defined benefit pension schemes	-	-	-	3,739	3,739	-	3,739
Deferred tax on Group defined benefit pension schemes	-	-	-	(270)	(270)	-	(270)
Cash flow hedges							
fair value movement taken to equity	-	-	(1,004)	-	(1,004)	-	(1,004)
deferred tax on fair value movement taken to equity	-	-	241	-	241	-	241
transfer to Income Statement for the period	-	-	168	-	168	-	168
deferred tax on transfer to Income Statement for the period	-	-	(40)	-	(40)	-	(40)
Profit for the financial period	-	-	-	15,417	15,417	514	15,931
Total recognised income and expense for the financial period	-	-	(54)	19,037	18,983	418	19,401
Currency translation adjustment	-	-	-	-	-	-	-
Employee share option expense	-	-	822	-	822	-	822
Exercise, lapse or forfeit of share options	-	-	(632)	632	-	-	-
Shares acquired by Deferred Share Awards Trust	-	-	(36)	36	-	-	-
Shares granted to beneficiaries of the Deferred Share Awards Trust	-	-	1,575	(1,575)	-	-	-
Issue of shares	3,848	(3,848)	-	-	-	-	-
Costs associated with the issue of shares	-	(5)	-	-	(5)	-	(5)
Dividends	12	1,321	-	(7,821)	(6,488)	(220)	(6,708)
At 30 March 2012	120,864	168,478	(13,117)	(71,275)	204,950	3,160	208,110

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 29 March 2013

Other Reserves

	Share options £'000	Own shares £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 28 September 2012	**4,218**	**(18,870)**	**804**	**(2,003)**	**4,093**	**(11,758)**
Items of income and expense taken directly to equity						
Currency translation adjustment	**-**	**-**	**-**	**-**	**3,366**	**3,366**
Net investment hedge	**-**	**-**	**-**	**-**	**(4,884)**	**(4,884)**
Cash flow hedges						
fair value movement taken to equity	**-**	**-**	**-**	**(625)**	**-**	**(625)**
deferred tax on fair value movement taken to equity	**-**	**-**	**-**	**144**	**-**	**144**
transfer to Income Statement for the period	**-**	**-**	**-**	**326**	**-**	**326**
deferred tax on transfer to Income Statement for the period	**-**	**-**	**-**	**(75)**	**-**	**(75)**
Total recognised income and expense for the financial period	**-**	**-**	**-**	**(230)**	**(1,518)**	**(1,748)**
Currency translation adjustment	**222**	**-**	**-**	**-**	**(222)**	**-**
Employee share option expense	**935**	**-**	**-**	**-**	**-**	**935**
Exercise, lapse or forfeit of share options	**(1,160)**	**-**	**-**	**-**	**-**	**(1,160)**
Shares acquired by Deferred Share Awards Trust	**-**	**(738)**	**-**	**-**	**-**	**(738)**
Shares granted to beneficiaries of the Deferred Share Awards Trust	**-**	**839**	**-**	**-**	**-**	**839**
At 29 March 2013	**4,215**	**(18,769)**	**804**	**(2,233)**	**2,353**	**(13,630)**

	Share options £'000	Own shares £'000	Capital conversion reserve fund £'000	Hedging reserve £'000	Foreign currency translation reserve £'000	Total £'000
At 30 September 2011	3,230	(20,387)	804	-	1,561	(14,792)
Items of income and expense taken directly to equity						
Currency translation adjustment	-	-	-	-	(685)	(685)
Net investment hedge	-	-	-	-	1,266	1,266
Cash flow hedges						
fair value movement taken to equity	-	-	-	(1,004)	-	(1,004)
deferred tax on fair value movement taken to equity	-	-	-	241	-	241
transfer to Income Statement or the period	-	-	-	168	-	168
deferred tax on transfer to Income Statement for the period	-	-	-	(40)	-	(40)
Total recognised income and expense for the financial period	-	-	-	(635)	581	(54)
Currency translation adjustment	(111)	-	-	-	111	-
Employee share option expense	822	-	-	-	-	822
Exercise, lapse or forfeit of share options	(632)	-	-	-	-	(632)
Shares acquired by Deferred Share Awards Trust	-	(36)	-	-	-	(36)
Shares granted to beneficiaries of the Deferred Share Awards Trust	-	1,575	-	-	-	1,575
At 30 March 2012	3,309	(18,848)	804	(635)	2,253	(13,117)

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The Group Condensed Financial Statements have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

These Condensed Financial Statements do not comprise statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The Group condensed financial information for the year ended 28 September 2012 represents an abbreviated version of the Group Financial Statements for that year. Those financial statements, upon which the auditor issued an unqualified audit report, have been filed with the Registrar of Companies.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group Condensed Financial Statements.

2. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Group Condensed Financial Statements are consistent with those applied in the Annual Report for the financial year ended 28 September 2012 and are as set out in those financial statements.

The adoption of new standards and interpretations (as set out in the 2012 Annual Report) that became effective for the Group's financial statements for the year ended 27 September 2013 did not have any significant impact on the Group Condensed Financial Statements.

3. Segment Information

The Group is organised around different product portfolios. The Group's reportable segments under IFRS 8 are as follows:

Convenience Foods - this reportable segment is the aggregation of two operating segments, Convenience Foods UK and Convenience Foods US. This segment derives its revenue from the production and sale of convenience food.

Ingredients & Property - this segment represents the aggregation of 'all other segments' as permitted under IFRS 8 (IFRS 8 specifies that, where the external revenue of reportable segments exceeds 75% of the total Group revenue, it is permissible to aggregate all other segments into one reportable segment). The Ingredients & Property reportable segment derives its revenue from the distribution of edible oils, molasses and the management of the Group's surplus property assets.

The Chief Operating Decision Maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before exceptionals and acquisition related amortisation. Exceptional items, net finance costs and income tax are managed on a centralised basis, therefore, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the segmental information below. Intersegment revenue is not material.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

3. Segment Information *(continued)*

	Convenience Foods		Ingredients & Property		Total	
	Half Year 2013 £'000	Half year 2012 £'000	**Half Year 2013 £'000**	Half year 2012 £'000	**Half Year 2013 £'000**	Half year 2012 £'000
Revenue	**542,130**	532,587	**30,756**	35,094	**572,886**	567,681
Group operating profit before exceptional items and acquisition related amortisation	**32,113**	30,666	**1,572**	1,025	**33,685**	31,691
Amortisation of acquisition related intangible assets	**(4,128)**	(4,817)	**-**	-	**(4,128)**	(4,817)
Group operating profit before exceptional items	**27,985**	25,849	**1,572**	1,025	**29,557**	26,874
Exceptional items					**(8,133)**	(3,438)
Group operating profit	**27,985**	25,849	**1,572**	1,025	**21,424**	23,436
Finance income					**8,673**	9,160
Finance costs					**(16,405)**	(17,085)
Share of profit of associates after tax	**-**	-	**389**	325	**389**	325
Profit before taxation					**14,081**	15,836

4. Seasonality

The Group's convenience foods portfolio is second half weighted. This weighting is primarily driven by weather and seasonal buying patterns impacting, in particular, the demand for chilled product categories.

5. Exceptional Items

		Half year 2013 £'000	Half year 2012 £'000
Integration cost of UK acquisitions	(a)	**(2,248)**	(3,438)
Integration cost of US acquisitions	(b)	**(1,101)**	-
Pension curtailment gain	(c)	**4,368**	-
Property related charge	(d)	**(9,152)**	-
		(8,133)	(3,438)
Taxation on exceptional items	(e)	**724**	753
Exceptional tax credit	(e)	**7,835**	-
Total exceptional credit/(charge)		**426**	(2,685)

(a) Integration cost of UK acquisitions
During the period, the Group incurred an exceptional charge of £2.2 million in connection with (i) the completion of the integration of the Uniq business, including the Chilled Desserts restructuring, and (ii) the integration of the International Cuisine business acquired in August 2012. In the prior period, integration costs of £3.4 million were incurred in respect of the Uniq acquisition.

(b) Integration cost of US acquisitions
During the period, the Group incurred an exceptional charge of £1.1 million in connection with the integration of the acquisitions of MarketFare Foods LLC ("MarketFare") and H.C. Schau & Son Inc. ("Schau") in the US.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

5. Exceptional Items *(continued)*

(c) Pension curtailment gain
During the period, the Group recognised a curtailment gain of £4.4 million as the trustees of the Greencore Group pension scheme resolved to pass on the cost of the Irish pensions levy to beneficiaries of the pension scheme in the form of a reduction in future pension payments. The cost of the levy has previously been assumed to be borne by the scheme and had been treated as a reduction in assets of the scheme when paid and as an increase in scheme liabilities for future amounts payable.

(d) Property related charge
During the period, the Group recognised a property related charge of £9.2 million arising on its Irish property portfolio which comprises a property impairment charge together with a charge for remediation costs relating to the former sugar processing sites. The property impairment charge of £4.3 million arose due to the rezoning of a large proportion of the Group's property assets in Ireland, together with the continued softening of demand for land and the related impact on prices being achieved on sales. The Group also re-evaluated the expected costs to be incurred in meeting the requirements of the Environmental Protection Agency regarding the remediation of the former sugar processing sites and an additional charge of £4.8 million was recognised in this respect.

(e) Exceptional tax credit
During the period, a tax credit of £7.8 million arose as the Group resolved a number of tax positions including the settlement of an overseas tax case. A tax credit of £0.7 million was recognised in respect of exceptional charges in the period.

6. Taxation

Interim period tax is accrued using the tax rate that is estimated to be applicable to the expected total annual earnings based on tax rates that were enacted or substantively enacted at the half year end, that is the estimated average annual effective income tax rate based on management's judgement applied to the taxable income of the interim period.

7. Dividends Paid and Proposed

A dividend of 2.5 pence per share was approved at the Annual General Meeting on 29 January 2013 as a final dividend in respect of the year ended 28 September 2012 and a total of £5.8 million was paid on 3 April 2013 to those shareholders that did not avail of the Group scrip dividend scheme.

An interim dividend of 1.90 pence (2012: 1.75 pence) per share is payable on 3 October 2013 to the shareholders on the Register of Members as of 7 June 2013. The ordinary shares will be quoted ex-dividend from 5 June 2013. The dividend will be subject to dividend withholding tax, although certain classes of shareholders may qualify for exemption.

The liability in respect of this interim dividend is not recognised on the Balance Sheet of the Group as at 29 March 2013 because the interim dividend had not been approved at the balance sheet date (but was subsequently declared by the Directors of the Company).

8. Earnings per Ordinary Share

Basic earnings per ordinary share
Basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares and shares held in trust in respect of the Deferred Bonus Plan Awards scheme. The adjusted figures for basic and diluted earnings per ordinary share are after the elimination of exceptional items, the effect of foreign exchange (FX) on inter-company and external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets and the effect of pension financing.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

8. Earnings per Ordinary Share *(continued)*

	Half year 2013 £'000	Half year 2012 £'000
Profit attributable to equity holders of the Company	**21,641**	15,417
Exceptional items (post tax)	**(426)**	2,685
Fair value of derivative financial instruments and related debt adjustments	**(2,159)**	(2,158)
FX on inter-company and external balances where hedge accounting is not applied	**240**	(335)
Amortisation of acquisition related intangible assets	**4,128**	4,817
Pension financing	**1,884**	2,363
Tax effect of pension financing and amortisation of acquisition related intangibles	**(1,505)**	(1,713)
Numerator for adjusted earnings per share calculation	**23,803**	21,076

	Half year 2013 pence	Half year 2012 pence
Basic earnings per ordinary share	**5.5**	4.0
Adjusted basic earnings per ordinary share	**6.1**	5.5

Denominator for earnings per share and adjusted earnings per share calculation

	Half year 2013 '000	Half year 2012 '000
Shares in issue at the beginning of the period	**394,357**	387,312
Treasury shares	**(3,905)**	(3,905)
Shares held by Deferred Share Awards Trust	**(1,641)**	(2,498)
Effect of shares issued in period	**2,722**	1,385
Weighted average number of ordinary shares in issue during the period	**391,533**	382,294

Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Employee share options, which are performance based, are treated as contingently issuable shares, because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable ordinary shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability have not been satisfied as at the end of the reporting period. Options over 8,557,582 (2012: 8,644,081) shares were excluded from the diluted EPS calculation as they were either antidilutive or contingently issuable ordinary shares which had not satisfied the performance conditions attaching at the end of the reporting period.

	Half Year 2013 pence	Half Year 2012 pence
Diluted basic earnings per ordinary share	**5.4**	4.0
Adjusted diluted basic earnings per ordinary share	**6.0**	5.4

8. Earnings per Ordinary Share *(continued)*

Diluted earnings per ordinary share *(continued)*

Denominator for diluted earnings per share and adjusted earnings per share calculation
The reconciliation of the weighted average number of ordinary shares used for the purpose of calculating the diluted earnings per share amounts is as follows:

	Half Year 2013 '000	Half Year 2012 '000
Weighted average number of ordinary shares in issue during the period	**391,533**	382,294
Dilutive effect of share options	**7,518**	4,987
Weighted average number of ordinary shares for diluted earnings per share	**399,051**	387,281

9. Intangible Assets, Property, Plant and Equipment, Investment Property, Capital Expenditure and Commitments

During the six month period to 29 March 2013, the Group made approximately £15.7 million (2012: £13.5 million) of additions to property, plant and equipment, investment property and intangible assets. The Group also disposed of certain assets with a carrying amount of £4.0 million (2012: £0.5 million) for proceeds of £4.0 million (2012: £4.1 million).

At 29 March 2013, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £4.0 million (2012: £4.1 million).

10. Equity Share Capital

Issued capital as at 29 March 2013 amounted to £117.6 million (28 September 2012: £120.9 million) of which £2.1 million (28 September 2012: £2.1 million) is attributable to treasury shares, £0.02 million (28 September 2012: £0.02 million) is attributable to shares held by the Deferred Share Awards Trust and £111.5 million (28 September 2012: £114.9 million) is attributable to deferred shares. During the six month period to 29 March 2013, 2,678,410 shares (2012: 1,408,619) were issued in respect of the scrip dividend scheme and 181,125 shares (2012: none) were issued in respect of the Group's Sharesave schemes. In addition, 384,815,847 deferred shares in the Company were cancelled on 4 January 2013.

Pursuant to the Deferred Bonus Plan Awards scheme, 727,885 shares were purchased by the Trustees of the Plan during the period ended 29 March 2013. In addition, the Trustees utilised dividend income of £0.03 million (2012: £0.03 million) to acquire 32,111 (2012: 69,490) shares in the Group with a nominal value of £0.001 million. In the period, 1,402,077 (2012: 1,292,223) shares with a nominal value of £0.013 million were transferred to beneficiaries of the Deferred Bonus Plan.

During the period, no share options were granted under the Executive Share Option Scheme (2012: 575,000), no share options were granted under the Sharesave schemes (2012: nil) and 2,473,607 shares were awarded under the Deferred Bonus Plan Awards scheme (2012: 3,477,711).

Pursuant to the resolutions passed at the Company's Annual General Meeting, the directors were authorised to adopt the Greencore Group plc 2013 Performance Share Plan. During the period, 4,298,604 conditional share awards were granted in accordance with the terms of this plan.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

11. Components of Net Debt and Financing

The cash flows from financing activities are set out in the Group Condensed Cash Flow Statement.

	March 2013 £'000	March 2012 £'000
Net debt		
Cash and cash equivalents	**13,102**	16,527
Bank borrowings	**(180,691)**	(175,178)
Private placement notes	**(120,309)**	(116,422)
Finance lease	**(1,045)**	-
Cross currency interest rate swaps – fair value hedges	**16,365**	12,877
Group net debt	**(272,578)**	(262,196)

	2013 £'000	2012 £'000
Net finance costs		
Net finance costs on interest bearing cash and cash equivalents and borrowings	**(7,674)**	(8,147)
Net pension financing charge	**(1,884)**	(2,363)
Change in fair value of derivatives and related debt adjustments	**2,159**	2,158
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(240)**	335
Unwind of present value discount on non-current payables and receivables	**(93)**	92
	(7,732)	(7,925)
Analysed as:		
Finance income	**8,673**	9,160
Finance costs	**(16,405)**	(17,085)
	(7,732)	(7,925)

12. Provision for Liabilities

	March 2013 £'000
At beginning of period, as previously reported	**20,709**
Adjustments to provisional fair values previously recognised on business combinations	**366**
At beginning of period, as re-presented†	**21,075**
Utilised in period	**(3,452)**
Disposed of in period	**(760)**
Provided in period	**4,124**
Currency translation differences	**262**
Unwind discount	**93**
At end of period	**21,342**

	March 2013 £'000	Sept 2012 + As re-presented £'000
Analysed as:		
Non-current liabilities	**15,852**	12,112
Current liabilities	**5,490**	8,963
	21,342	21,075

12. Provision for Liabilities *(continued)*

The significant provisions are as follows:

Leases
Lease provisions consist of (a) provisions for leasehold dilapidations in respect of certain leases, relating to the estimated cost of reinstating leasehold premises to their original condition at the time of the inception of the lease as provided for in the lease agreement; and (b) provisions for onerous contractual obligations for properties held under operating lease. It is anticipated that these will be payable within seven years.

Remediation and closure
Remediation and closure obligations were established to cover either a statutory, contractual or constructive obligation of the Group.

In the Ingredients & Property segment, remediation and closure obligations primarily relate to the closure of Irish Sugar and the exit from sugar processing.

In the Convenience Foods segment, the restructuring provision was established to cover the cost of withdrawal from yoghurt production and exiting everyday desserts to focus on the premium desserts and Müller/Cadbury desserts business.

Other
Other provisions primarily consist of provisions for litigation and warranty claims arising from the sale and closure of businesses, together with a provision for liabilities which are self insured.

13. Contingencies

The Group and certain of its subsidiaries continue to be subject to various legal proceedings relating to its current and former activities. Provisions for anticipated settlement costs and associated expenses arising from legal and other disputes are made where a reliable estimate can be made of the probable outcome of the proceedings.

The Greencore Group Pension Scheme ("the Scheme") has a mortgage and charge relating to certain property assets of the Group with a carrying value of £5.1m (2012: £11.3m) for use as a contingent asset of the Scheme. Under the terms of the mortgage and charge, should a disposal of these property assets occur that meets the terms of the mortgage and charge, the Scheme is entitled to a portion of the sale proceeds. The maximum amount recoverable by the Trustees of the Scheme under the mortgage and charge is the amount required for the Scheme to meet the minimum funding standard under the Pension Acts 1990-2009. During the period £0.6m (2012: £nil) was paid to the Scheme in accordance with this arrangement.

14. Retirement Benefit Schemes

In consultation with the independent actuaries to the schemes, the valuation of the pension obligations has been updated to reflect current market discount rates, rates of increase in salaries, pension payments and inflation, current market values of investments and actual investment returns.

The principal actuarial assumptions are as follows:

	March 2013		September 2012	
	Ireland	**UK**	Ireland	UK
Rate of increase in pension payments	***0%**	**3.15%**	*0%	2.60%
Discount rate	**3.65%**	**4.50%**	4.00%	4.60%
Inflation rate	**1.90%**	**3.35%**	1.90%	2.70%

* The pension increase rate shown above applies to the majority of the liability base, however, there are certain categories within the schemes that have an entitlement to pension indexation and this is allowed for in the calculation.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

14. Retirement Benefit Schemes *(continued)*

The financial position of the schemes was as follows:

	March 2013			September 2012		
	Irish Schemes £'000	**UK Schemes £'000**	**Total £'000**	Irish Schemes £'000	UK Schemes £'000	Total £'000
Total market value of assets	**230,985**	**147,247**	**378,232**	209,386	136,322	345,708
Effect of paragraph 58(b) limit*	**-**	**(567)**	**(567)**	-	(631)	(631)
Present value of scheme liabilities	**(254,362)**	**(279,163)**	**(533,525)**	(235,767)	(251,151)	(486,918)
Deficit in schemes	**(23,377)**	**(132,483)**	**(155,860)**	(26,381)	(115,460)	(141,841)
Deferred tax asset	**-**	**29,901**	**29,901**	-	25,982	25,982
Net liability	**(23,377)**	**(102,582)**	**(125,959)**	(26,381)	(89,478)	(115,859)

* Restriction in IAS 19 on recognition of a surplus in a defined benefit plan that cannot be recovered through refunds or reductions in future contributions.

15. Subsequent Events

On 10 May 2013, the Group entered into arrangements with the Hazlewood Defined Benefit Scheme Trustees to address £40m of the actuarial deficit in the scheme. The substance of this arrangement is to reduce the cash funding which would otherwise be required based on the latest triennial valuation, whilst improving the security of the pension scheme members' benefits. As part of these arrangements, the Pension Scheme has acquired an interest in a Group subsidiary which entitles it to a distribution from the profits of the subsidiary of the Group semi-annually for 15 years 11 months. Under IAS 19, distributions to the Scheme will be reflected in the Group Financial Statements as contributions paid on a cash basis.

16. Acquisition of Undertakings

2012 Acquisitions
On 17 April 2012, the Group acquired 100% of MarketFare which is a leading manufacturer of food to go products for convenience and small stores in the US with facilities in Salt Lake City, Utah and Fredericksburg, Virginia. The acquisition builds additional scale with its key customer, 7-Eleven, and provides new competencies to Greencore USA.

On 21 June 2012, the Group acquired 100% of Schau, a fresh food manufacturer with facilities in Chicago, Illinois and Jacksonville, Florida. The acquisition forms a critical part of the supply network for a significant new multi-regional contract gain with Starbucks in the food to go category.

On 23 August 2012, the Group acquired 100% of International Cuisine Limited ("ICL"), a private label chilled ready meal business with a facility in Consett, County Durham. The acquisition provides additional capacity for the Group in the ready meals category in the UK and complements our existing business.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

16. Acquisition of Undertakings *(continued)*

2012 Acquisitions *(continued)*

The fair value of the assets acquired, determined in accordance with IFRS, as previously reported at 28 September 2012 and subsequently adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date were as follows:

	2012 Acquisitions		
	As previously reported £'000	Adjustments to provisional fair values £'000	**As re-presented £'000**
Assets			
Intangible assets	13,956	-	**13,956**
Property, plant and equipment	10,275	(707)	**9,568**
Inventory	5,304	42	**5,346**
Trade and other receivables	12,488	286	**12,774**
Total assets	42,023	(379)	**41,644**
Liabilities			
Trade and other payables	(13,814)	131	**(13,683)**
Provisions for liabilities	(223)	(366)	**(589)**
Deferred tax liabilities	(744)	-	**(744)**
Total liabilities	(14,781)	(235)	**(15,016)**
Net assets acquired	27,242	(614)	**26,628**
Goodwill	16,698	879	**17,577**
Total enterprise value	43,940	265	**44,205**
Satisfied by:			
Cash payments	41,538	-	**41,538**
Cash acquired	(2,686)	12	**(2,674)**
Net cash outflow	38,352	12	**38,864**
Consideration payable	5,088	253	**5,341**
Total consideration	43,940	265	**44,205**

At 29 March 2013, the fair values of the acquired net assets of Schau and ICL have been determined provisionally and are subject to change, as the Group has yet to finalise the fair value of all the identifiable net assets acquired. The fair values of the acquired net assets of MarketFare have now been finalised. The fair value of the acquired net assets of all acquisitions have been adjusted retrospectively and the Group Balance Sheet at 28 September 2012 has been adjusted to reflect the effect of these adjustments.

2011 Acquisitions

On 23 September 2011, the Group's acquisition of Uniq was declared unconditional in all respects. The acquisition provided further critical mass in the Food to Go market and exposure to the premium chilled desserts market, in both cases with a major retail customer with which the Group previously had little trade.

16. Acquisition of Undertakings *(continued)*

2011 Acquisitions *(continued)*

The fair value of the assets acquired, determined in accordance with IFRS, as previously reported at 30 March 2012 and subsequently finalised in September 2012 to reflect new information obtained about facts and circumstances that existed as of the acquisition date were as follows:

	March 2012 As previously reported £'000	**Uniq** Adjustments to provisional fair values £'000	**March 2012 As re-presented £'000**
Assets			
Intangible assets	36,597	137	**36,734**
Property, plant and equipment	25,894	(734)	**25,160**
Deferred tax assets	19,744	-	**19,744**
Inventory	8,292	389	**8,681**
Trade and other receivables	28,501	269	**28,770**
Total assets	119,028	61	**119,089**
Liabilities			
Borrowings	(15,500)	-	**(15,500)**
Trade and other payables	(49,558)	2,295	**(47,263)**
Provisions for liabilities	(16,585)	(4,890)	**(21,475)**
Current taxes payable	(5,833)	(4,891)	**(10,724)**
Retirement benefit obligations	(2,446)	(200)	**(2,646)**
Deferred tax liabilities	(9,149)	-	**(9,149)**
Total liabilities	(99,071)	(7,686)	**(106,757)**
Net assets acquired	19,957	(7,625)	**12,332**
Goodwill	84,622	7,625	**92,247**
Total enterprise value	104,579	-	**104,579**
Satisfied by:			
Cash acquired	(8,123)	-	**(8,123)**
Consideration payable	112,702	-	**112,702**
Total consideration	104,579	-	**104,579**

The Group Balance Sheet as at 30 March 2012 has been re-presented to reflect the effect of changes to the fair values of the Uniq acquisition balance sheet, which were processed in September 2012.

17. Information

Copies of the Half Yearly Financial Report are available for download from the Group's website at www.greencore.com.

18. Auditor Review

This half yearly financial report has not been audited or reviewed by the auditor of the Group pursuant to the Auditing Practice Board guidance on Review of Interim Financial Statements.

NOTES TO THE GROUP CONDENSED FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- the Group Condensed Financial Statements for the half year ended 29 March 2013 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the Group Condensed Financial Statements for the half year ended 29 March 2013 and a description of the principal risks and uncertainties for the remaining six months; and

- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board,

P.F. Coveney	**A.R. Williams**
Chief Executive Officer	Chief Financial Officer
21 May 2013	21 May 2013

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