26 March 2007

Uniq PLC
Preliminary Results

GOOD PROGRESS MADE, RECOVERY UNDERWAY, DEBT ELIMINATED AND BALANCE SHEET STRENGTHENED

Uniq, the European chilled convenience food group, today announces preliminary results for the statutory nine month period ended 31 December 2006. Key points include:

Transformational highlights

- Completed the installation of strong leadership in each division
- Northern European restructuring plans in place
- Implementing restructuring plans in France and re-launching Marie
- Sold the Spreads and Belgian salads businesses for £288m
- Restructured balance sheet and eliminated debt
- Cash in secure account to match UK IAS 19 pension deficit

Operating highlights – continuing operations before significant items [1, 2]

- UK grew sales by 3% on a year on year basis
- UK reduced operating losses by £10.9m on a year on year basis
- Minsterley recovery gathering momentum and expect to break even by end 2007
- Strengthened UK customer relationships
- Northern Europe declined due to German legacy but recovery plans underway
- The Netherlands and Poland grew operating profit from break-even by £3.4m
- Frozen continued to impact profitability in France, but Marie re-launch proceeding in line with plan

Chief Executive, Geoff Eaton commenting on the results said:

"We set out to achieve a great deal in 2006 and I am pleased to report that we made good progress on a number of fronts and we are largely on schedule with our plans to unlock the true potential of Uniq.

We have begun 2007 with very clear plans and remain confident of achieving significant margin improvement as the year progresses."

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[1] Significant items are those which, because of size or incidence, require separate disclosure to enable underlying trading performance to be assessed. They amount to £36.6 million loss on continuing businesses and £4.1 million profit on discontinued businesses, all of which is charged to operating profit, principally comprising a restructuring plan at Minsterley and in France, goodwill impairment of the Northern European business and gains/losses on disposal of businesses.

[2] In order to assist shareholders, the group is also providing unaudited financial information in respect of the years ended 31 December 2006 and 31 December 2005 for segmental revenue and operating results before significant items. For the purposes of comparison, both the 2006 and 2005 results have been translated at the average exchange rates ruling in the year ended 31 December 2006.

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Financial Summary

	12 months ended 31 December 2006 Unaudited[3]	12 months ended 31 December 2005 Unaudited[3]	**9 months ended 31 December 2006 Audited**	**12 months ended 31 March 2006 Audited restated**
	£m	£m	**£m**	**£m**
Revenue – continuing businesses				
UK	334.2	324.8	**258.0**	**321.8**
Northern Europe	207.0	208.9	**160.0**	**205.0**
France	171.4	184.1	**123.2**	**180.0**
	712.6	717.8	**541.2**	**706.8**
Revenue – discontinued businesses	105.4	125.5	**78.4**	**118.3**
Total revenue	818.0	843.3	**619.6**	**825.1**
Before significant items(1)				
Operating loss – continuing				
UK	(4.0)	(14.9)	**(3.4)**	**(12.5)**
Northern Europe	(5.4)	(0.1)	**(3.6)**	**(4.2)**
France	(1.4)	3.9	**(5.4)**	**4.5**
	(10.8)	(11.1)	**(12.4)**	**(12.2)**
Operating profit - discontinued	27.1	26.5	**21.1**	**25.7**
Operating profit total	16.3	15.4	**8.7**	**13.5**
Loss before tax			**(21.9)**	**(21.1)**
Adjusted loss per share(2)			**(1.2)p**	**(0.2)p**
After significant items(1)				
Operating loss			**(49.0)**	**(36.4)**
Loss before tax			**(58.5)**	**(45.3)**
Basic loss per share			**(28.4)p**	**(22.6)p**

Summary Pro-forma Balance Sheet[4]

	31 December 2006	**Adjustments**	**Pro-forma**
	£m	**£m**	**£m**
Other net assets	220.3	(3.7)	216.6
Net pension deficit	(107.8)	-	(107.8)
Secure account cash	-	84.5	84.5
Net debt	(83.1)	143.5	60.4
Capital and reserves	29.4	224.3	253.7

[1] Significant items are those which, because of size or incidence, require separate disclosure to enable underlying trading performance to be assessed. They amount to £36.6 million loss on continuing businesses and £4.1 million profit on discontinued businesses, all of which is charged to operating profit, principally comprising a restructuring plan at Minsterley and in France, goodwill impairment of the Northern European business and gains/losses on disposal of businesses.
[2] Adjusted earnings per share exclude significant items, prior year tax credits and exchange gains and losses on non permanent inter company loans.
[3] In order to assist shareholders, the group is also providing unaudited financial information in respect of the years ended 31 December 2006 and 31 December 2005 for segmental revenue and operating results before significant items. For the purposes of comparison, both the 2006 and 2005 results have been translated at the average exchange rates ruling in the year ended 31 December 2006.
[4] Given the significant impact that the sale of the French Spreads business (St Hubert SAS) and consequent transactions has on the group balance sheet, an unaudited pro-forma summary balance sheet is shown to illustrate the effect on this as if the transaction had occurred on 31 December 2006.

Note : Unless otherwise stated, operating profit refers to operating profit before significant items for the 12 month period ending 31 December 2006 and 31 December 2005. For the purposes of comparison both the 2006 and 2005 results have been translated at the average exchange rates ruling in the year ended 31 December 2006.

Chairman's Statement

This is my first opportunity to address shareholders as your new Chairman following my appointment on 1 January 2007. I have joined your company at a time of major transition. Your board has adopted a bold strategy that has already delivered a transformation in the financial strength of the group and offers significant potential for value creation in the coming years.

The first part of this strategy, crystallising value through disposals and creating a strong balance sheet, has been successfully completed. The disposal of the Belgian salads and the French spreads business, (St Hubert), generated aggregate gross proceeds of £288 million. This value exceeded the board's estimates and has resulted in a much strengthened balance sheet position for Uniq. Following the disposal of the St Hubert business on 16 January 2007, debt has been eliminated and the main UK IAS 19 pension deficit has been matched with a cash investment into an account secured for the benefit of the main UK pension fund. Through this action we have significantly improved the security of the fund.

The remaining proceeds from the two sales, will be used to support the second part of our strategy, which is to focus on a smaller number of convenience food businesses with the highest potential for significant profit growth and shareholder value creation. Having disposed of the most profitable businesses in the Uniq portfolio, we have retained a group of businesses that, in 2006, collectively incurred operating losses of £11 million on sales of £713 million, with all three divisions incurring losses on continuing activities. Our objective is to complete the implementation of a programme of changes in these businesses to generate an acceptable profit margin and return on capital employed.

This change programme was initiated by Geoff Eaton following his appointment as Chief Executive in August 2005. The UK was the first to change at the end of 2005, Northern Europe followed in early 2006 and finally France in the second half of 2006 following the decision to sell St Hubert.

The common themes of change that run across our businesses are as follows:

- Appointment of stronger, more experienced and entrepreneurial leadership teams
- Decentralisation to profit-accountable and customer-focused business units
- Re-connection with customers and a focus on growth through excellent service, quality and innovation.
- An extensive programme of cost reduction activities allied with more effective end-to-end supply chain management
- Reinvestment in our brands in France and Northern Europe

I am confident that the major organisational, structural and management changes made by your board have set all the divisions on a recovery path. I have been struck by the quality, determination and energy of the management teams. I see considerable potential for improvement in the margins and returns on capital. However, the company has undertaken an extensive programme of change across all businesses and this will take time to complete.

Looking forward, we will continue to improve the quality and depth of our management teams, and to invest in our asset base to improve our capabilities and enhance our mix of business. We intend to increase our focus on reporting and measurement and on cost management at the operational level to support the return to profitability. Significant re-engineering of our cost base has continued into the New Year across all three divisions.

Accounting date change

As reported in November 2006, the board considered it appropriate to change the accounting year end date to 31 December. These accounts therefore formally report on a nine month period to 31 December 2006. In the Chief Executive's statement and Divisional commentaries we have reported on the twelve months to 31 December 2006 compared with the twelve months to 31 December 2005 to provide a clearer view of trends.

Results and cash flow

The reported total operating profit of £8.7 million in the nine month period to 31 December 2006 includes £21.1 million contributed by discontinued businesses. The continuing group made an operating loss of £12.4 million and the reversal of this position is clearly our top priority as we enter the next phase of the recovery plan.

During the nine month period the group faced higher financing costs as a consequence of the banking facilities agreed in June 2006, when the group's trading and cash position was weak coupled with a significant pension deficit. Upon disposal of Spreads on 16 January 2007 this facility was terminated and a new committed facility was put in place. This will significantly reduce the high financing costs endured by the group in 2006.

Net debt at 31 December 2006 was £83.1 million, before the disposal of Spreads. Adjusting for this disposal and the cash secured for the main UK pension fund the company had pro-forma cash of £60 million available to support the recovery.

Board and management

Nigel Stapleton retired from the board at the end of the financial year after six years as chairman. Nigel provided strong leadership to the board and oversaw a period of considerable change in the shape of Uniq's activities and management. We are extremely grateful to him.

I was pleased to welcome John Warren as a non-executive director on 16 March. John has many years' experience in the food industry having been finance director of United Biscuits PLC during the 1990s before becoming finance director of WH Smith PLC in 1999, a post he held until 2005. He currently holds a number of non-executive directorships in the consumer goods, leisure and business services sectors. Margaret Young has announced that she wished to retire from the board after the AGM on 17 May. She has been a non-executive director for more than 7 years and she leaves with our thanks for her valuable contribution to the board over this time.

Dividend

In demonstration of our confidence of returning the business to financial health, the board has recommended a dividend payment of 2.75p per share reflecting the short accounting period to 31 December 2006. This brings the dividend for the nine month period to 5.25p per share, unchanged on a pro-rata basis from the prior year. The dividend will be paid on 31 May 2007 to shareholders on the register at 4 May 2007.

The future

Our recovery plans are ambitious, but I am confident that our management team has the correct balance of skills and experience required to implement our strategy. The recovery plans that underpin this impose a significant workload and I wish to express the board's thanks to all our employees for their continued commitment and dedication.

I look forward to the successful implementation of our strategic plans which we are confident will unlock the value inherent in your business.

Chief Executive's Review

We set out to achieve a great deal in 2006 and I am pleased to report that we made good progress on a number of fronts and we are largely on schedule with our plans to unlock the true potential of Uniq.

We entered 2006 facing a number of challenges:

- **UK**
  We were making substantial losses, had lost touch with our customers, had a particularly big challenge to sort out our desserts business in Minsterley and were in the process of reorganising the division into six new business units and removing the central infrastructure.
- **Northern Europe**
  The adverse trends in operating results were accelerating and we recognised the need to decentralise the division into country focused business units, re-connect with our customers, build new management teams and tackle the particularly serious challenge of mounting operating losses in Germany.
- **France**
  We enjoyed good margins and cash flow and this was supporting the rest of the group, however, this situation was more complex. The division housed a highly profitable spreads business and a marginally profitable convenience business, within which we had a fast-declining frozen business in need of radical treatment.
- **Legacy issues**
  In addition to the operational challenges we faced in each division we also had two legacy issues to contend with: the main UK pension deficit and the onerous element of the Wincanton contract, both of which were inherited from Unigate. The combination of all these factors resulted in an adverse cash flow which was pushing the group to the limit of its bank facilities which were due for renewal in 2006.

We therefore faced three major risks as a group: operational turnaround in all divisions; the UK pension deficit; and rising bank indebtedness.

Faced with these challenges our first priority was to secure new experienced and entrepreneurial leadership in each of our divisions. In the UK we appointed Rick Turnbull and Howard Sims, in Northern Europe Frans Rombouts and in France Giampaolo Schiratti. We were fortunate to be able to put together such a strong leadership team.

By June 2006 we had sufficient confidence in our operational leadership and our recovery plans to make a major strategic move. We decided to take advantage of a strong M&A market and sell our two most profitable businesses.

We completed the sale of our Belgian salads business for £40 million in November 2006 and the sale of our French spreads business for £248 million in January 2007, realising a total of £288 million gross proceeds. These two businesses contributed just 12% of our group sales and crystallised value equivalent to 90% of our enterprise value as at 31 March 2006. This completed the first phase of our recovery plan with a result that exceeded our expectations.

This enabled us to tackle two of the three risks by repaying the banks and putting aside sufficient cash to match the main UK IAS 19 deficit. We could then concentrate our efforts on turning around a smaller number of convenience foods businesses where we can deliver the largest profit upside for shareholders, backed by a strong balance sheet.

This has therefore been a year of transition. We have worked very hard to deliver the transforming corporate transactions in parallel with a huge amount of activity in the divisions, managing a comprehensive and wide ranging programme of change. We have often stated that the path to recovery will not be smooth and our focus is much more about delivering real and sustainable improvements in the long term.

Continuing businesses	12 months ended 31.12.06 £m	12 months ended 31.12.05 £m	9 months ended 31.12.06 £m	12 months ended 31.3.06 £m
Sales				
UK	334.2	324.8	258.0	321.8
Northern Europe	207.0	208.9	160.0	205.0
France	171.4	184.1	123.2	180.0
Total	712.6	717.8	541.2	706.8
Operating profit before significant items				
UK	(4.0)	(14.9)	(3.4)	(12.5)
Northern Europe	(5.4)	(0.1)	(3.6)	(4.2)
France	(1.4)	3.9	(5.4)	4.5
Total	(10.8)	(11.1)	(12.4)	(12.2)

For the twelve months ended 31 December 2006 sales were £712.6 million and the operating loss was £10.8 million. This compared with sales of £717.8 million and an operating loss of £11.1 million in the previous twelve months ended 31 December 2005. The modest change in aggregate financial performance year-on-year masks the significant differences that were seen in each division, reflecting the different stages on their recovery paths. The UK has led the planned recovery with a year-on-year improvement of £10.9 million, but remains a loss maker and margins deteriorated from November as a consequence of cost inflation, additional overhead and excessive service costs. In Northern Europe we tackled a strongly adverse trend in Germany to contain the decline to £5.3 million, while in France the decline in frozen caused a £5.3 million reversal in operating profit.

UK

We have successfully decentralised the division into six business units. This process has involved a number of changes of role with people switching from functional to general management responsibilities. Many people have relocated from the divisional head office to the sites. The central infrastructure has been dismantled and the divisional head office was closed in June 2006. We have hired a number of executives to strengthen our capabilities, many of whom joined us late in the year.

Top of our priorities in the UK was to fix our relationships with our customers. We were helped by the strong relationships with our largest customer that Rick Turnbull and Howard Sims brought. The decentralisation process has increased our speed of decision making and our understanding of the needs of our customers and the end consumer. We have made good progress and increasingly our customers are looking to build the relationship going forward.

In April 2006 we delivered a price increase in desserts following a five year period of zero increases. This was only possible because of all the other changes we had set in train allowing the customers to believe in our future. Overall our growth in desserts was held back by the energy diverted into moving business between sites to achieve the customer focus and by the business lost as a result of the deficiencies in the old organisation.

We have upgraded our commercial resources and are improving our chef skills to support more innovative NPD. We are starting to see smarter NPD backed by stronger commercial judgement and category management skills. This was evident in the re-launch of the wraps range by Northampton in the summer and the successful M&S Cook! products launched by Pinneys in the autumn. We expect this momentum in NPD to strengthen during the course of 2007.

We made it our priority to deliver excellent service and quality, particularly in the busy Christmas period. This cost more than anticipated, but it was the right priority to reinforce the confidence of our customers in our ability to deliver their demanding requirements. Minsterley delivered a particularly encouraging result at Christmas reinforcing the success of the structural changes we announced in November and increasing our confidence that we will achieve breakeven during 2007.

To improve the efficiency of the supply chain we have agreed new transport arrangements with NFT and Culina. As a result we will cease using the Wincanton Gloucester distribution warehouse in April 2007. We are in discussions with Wincanton about our mutual obligations under the warehousing contract which expires in March 2009.

We are confident all the changes we have made in the UK will deliver the profit margins, growth and returns on capital these businesses are capable of generating. We start 2007 with better people, appropriate structures and customers wanting to do more business with us. We are also implementing a series of initiatives that will further reduce our costs and improve our margins. We expect these actions to show through in our performance in the second half of 2007.

Northern Europe

In Northern Europe, under Frans Rombouts' leadership, we decentralised the division to country focused business units at the end of the first quarter of 2006. This process has taken most of the last twelve months to bed-down and has generated cost savings of circa £1 million which have offset the costs incurred in implementation. In parallel with this process we managed the separation and sale of the Belgian salads business.

The decentralisation process has exposed the issues we faced in Germany. This is a challenging food market with a high penetration of hard discounters and consumers that are generally very price conscious. Our organisation in Germany had lost touch with customers, lost the ability to develop new products and did not have proper accountability or responsibility for its results. The Nadler salad brand lost market share and this situation was exacerbated by a change in packaging that did not deliver the benefits planned.

In January 2007 the following restructuring actions were announced in Germany:

- Closure of the Bremerhaven factory transferring the remaining German fish production to Poland
- Re-negotiation of German labour force pay and benefits
- Consolidation of potato salad production from Bottrop in Germany to Losser in The Netherlands
- Further de-centralisation into locally focused dedicated business units

This is expected to generate £4 million of annual cost savings by the end of 2007. We are also reviewing the sales organisation, the discounts and allowances structure and logistics to improve further the efficiency of the Nadler business. In addition, we have created regional centres of excellence for fish NPD in Poland and for salads NPD in the Netherlands. This additional focus on fish has already delivered an increase in market share and a good pipeline of product launches.

In Poland we have successfully installed a local Polish management team which has improved the efficiency of the factory and stimulated sales growth in this exciting emerging market.

In The Netherlands we have invested behind the strong Johma brand, which has brought an end to an extended period of underinvestment. We have invested in more flexible equipment which will deliver better quality new products during the course of 2007. Our sandwich business has reduced its cost base and on the back of an improved product range has been winning new contracts to replace lost business.

We enter 2007 with a new confidence in Northern Europe and a clear set of plans for recovery. There is a lot to do and the German market will not get any easier. However, we are confident that we are on an improving path.

France

In France, the easy choice would have been to carry on as we were. The division was generating double digit margins and was stable. However, by March 2006 it was clear the rate of decline in the frozen business had accelerated - a more radical approach was necessary to turn around this business to avoid undermining the opportunity in the growing chilled market. Marie convenience is a very different business from the St Hubert health Spreads and we decided we would concentrate our efforts on improving the returns in Marie and sell Spreads.

In June 2006, Giampaolo Schiratti joined as the new Divisional Managing director responsible for Marie. He has extensive experience of restructuring in France and has directly relevant chilled food manufacturing general management experience gained at Bonduelle. His first task was to develop a new strategic plan for Marie and arrange the separation of Marie and Spreads. This was achieved by the end of September.

As a result of the separation of these businesses and the need to improve the competitiveness of Marie, we embarked on a restructuring plan for the whole business. As part of this, in October 2006, consultations commenced regarding a social plan to reduce the number of employees in the Marie frozen factories and the head office by 218. This represented 14% of the work force. The consultation process was concluded in February 2007, combining more flexible work patterns, relocation and replacement of temporary workers, natural wastage and redundancies. The cost charged in 2006 for the divisional restructuring was £9.4 million with targeted annual cost savings in excess of £7 million.

£3 million of the benefits of the social plan will be reinvested in increased media and marketing as part of a comprehensive re-launch of the Marie brand. This re-launch involves the appointment of a new advertising agency, the development of a new and modernised brand positioning and a new advertising campaign on both TV and billboards. The packaging has also been re-designed and has delivered a fresh and consistent style which communicates the key messages around natural ingredients, healthy recipes and quality convenient food.

The first evidence of the success of this re-launch has been in the new products introduced in the autumn including “come-pasta” and “fruits adorés” and the positive response from the trade in the recent 2007 listings negotiations. The competitive scene in France is made even more intense with the next phase of the Loi Jacob. We have restructured the terms of trade in the frozen business to improve the relative attractiveness of the product range to the retailer. The combination of this initiative and the price competitiveness of the market place has made it very difficult to pass on inflationary pressures in the business.

Overall we are very pleased with the progress we have made in France. The continuing convenience business was loss making in 2006 however the trends in the early part of 2007 show continuing growth in chilled and a slower rate of decline in frozen. The cost savings from the social plan will start to impact in the second quarter and the 2007 trade negotiations should further improve the frozen revenue from April.

Outlook

The Board expects that the significant actions taken over the last year in all three divisions will deliver benefits in 2007. We go into 2007 with clear plans across the business. Each division is at a different stage in its recovery and we continue to manage significant change across the group.

The UK recovery will be led by Minsterley which is anticipated to get to a break-even run-rate by the end of the year. The rest of the UK will be impacted in the first half by the recent pressure on margins. However, we expect the run rate in the second half of the year to be much improved.

The most recent evidence would suggest that the actions taken in Northern Europe are just starting to turn around performance, but Germany will constrain the pace of recovery.

In France both the re-launch of the Marie brand and the restructuring of the business are continuing in line with our plan and we anticipate the recovery will pick up from the second quarter, boosted by increased marketing investment.

We therefore remain confident of achieving significant margin improvement in 2007, although much of this will come in the second half.

Financial Review

This Financial Review covers the activities of Uniq plc for a shortened 9 month period to 31 December 2006 as a result of the change of accounting reference date from 31 March. Comparative data relates to the year ended 31 March 2006. 12 month annualised data is contained within the Divisional reviews to aid sales and profit trend comparisons. The group has reclassified the results of the Spanish, Belgian salads and French Spreads businesses as discontinued following the decision to divest these parts of the group. Comparative data has been restated accordingly.

Summary of Results	**9 months ended 31 December 2006**			12 months ended 31 March 2006		
	Continuing	**Dis-continued**	**Total**	Continuing	Dis-continued	Total
Revenue	**541.2**	**78.4**	**619.6**	706.8	118.3	825.1
Operating profit/(loss)	**(12.4)**	**21.1**	**8.7**	(12.2)	25.7	13.5
Total finance costs	**(9.5)**	**-**	**(9.5)**	(8.9)	-	(8.9)
Loss before significant items	**(21.9)**	**21.1**	**(0.8)**	(21.1)	25.7	4.6
Significant items	**(36.6)**	**4.1**	**(32.5)**	(24.2)	(6.4)	(30.6)
Loss before tax	**(58.5)**	**25.2**	**33.3**	45.3	19.3	(26.0)
Income tax credit	**8.2**	**(7.2)**	**1.0**	7.0	(6.6)	0.4
Loss for the period	**(50.3)**	**18.0**	**(32.3)**	(38.3)	12.7	(25.6)

Turnover for the 9 month period was £619.6 million for the total group and £541.2 million on continuing operations. This represents a like-for-like increase of 2% on continuing operations over the same period in 2005. Total group turnover reduced slightly as a result of disposals in the period.

Operating profit for the group of £8.7 million represented a loss on continuing operations of £12.4 million and a £21.1 million contribution from discontinued operations. Continuing operations showed: a significant improvement within the UK which, excluding Minsterley, had returned to profitability in the period; a decline in Northern Europe as a result of the difficulties faced in the German branded salads market and a continued decline of the frozen Marie branded business in France. The Minsterley operation made a loss of £8.2 million for the 9 month period. Following the substantial change in shift patterns in August 2006 we are benefiting from some significant improvements and the business is expected to be at break even operating profit run-rate by the end of 2007.

The improvements were weighted to the first six months of the period, with the seasonal peak at Christmas not continuing the same trend. We made significant progress with our customer relationships and provided excellent service levels – 100% in some cases during this peak of activity. However, margins declined as a consequence of cost inflation and the costs incurred in producing this result.

Operating loss after significant items for the continuing businesses was £49.0 million compared to the prior year loss of £36.4 million.

Net finance charges (excluding IAS19 pension related interest and foreign exchange gains and losses) were £8.8 million in the period reflecting the significant increased costs of financing the business during its transformation phase.

There remains an adjusted loss per share at 1.2p per share reflecting the recovery position of all three divisions.

Significant items

Significant items recognised in the period related to impairment charges on goodwill (£28.6 million); restructuring costs (£11.1 million); a net gain on the disposal of businesses (£4.1 million) and a pension curtailment gain of £3.1 million.

The goodwill impairment charge of £28.6 million relates to the Northern European operations as a result of the separation of the now disposed of Belgian salads business and a weakening of our position in the branded salads market in Germany.

Restructuring charges relate to two individual projects. £1.7 million was incurred for costs associated with the accelerated recovery plan at the Minsterley site announced at the half year and £9.4 million in relation to the restructuring actions being carried out in the Marie business in France to right-size the business cost base following the disposal of Spreads in January 2007. The plan was committed to and announced in October 2006.

Gains and losses on disposals amount to a surplus of proceeds over net assets of £7.0 million relating to the disposal of the Belgian salads business in November 2006 and a £2.9 million loss in relation to the disposal of part of the Spanish business in August 2006.

A gain was also recognised upon transferring the active members of our Netherlands defined benefit pension scheme into an industry wide pension scheme.

Discontinued Operations

The discontinued operations performed well in the period contributing £78.4 million in revenue and £21.1 million of operating profit.

Taxation

The tax charge before significant items amounts to £1.3 million. This represents a tax credit of £5.9 million on continuing operations and a tax charge of £7.2 million on discontinued operations. The tax credit for continuing operations is a composite of the rates in the countries in which we do business. In the UK we charge profits at the corporate rate of 30% although we will not pay tax for several years because of tax losses carried forward from prior years of in excess of £140 million. In addition, as and when the funds secured for the main UK pension fund are paid into the fund this will be deductible for tax purposes. In France we will charge and pay tax on the income and operating costs of the continuing businesses at a corporate rate of 34%. In Germany the benefit of tax losses has only been partly recognised, reflecting the current uncertainty in the level of future taxable profits over brought forward losses (of approximately £20 million) to be generated in this territory.

Loss after taxation

The Group reports a loss after significant items of £32.3 million compared with a loss of £25.6 million in the preceding year.

Financial position

The Group's net debt increased from £74.5 million to £83.1 million. The main movements relate to: special pension contributions of £12.3 million; £13.5 million cash outflow from significant items (including £5.4 million relating to the onerous element of the Wincanton distribution contract); £16.9 million net capital expenditure; £12.3 million of normal seasonal working capital outflow in the build to the busy Christmas trading period; £6.5 million of tax and £5.1 million dividend payment offset by the net proceeds of £36.3 million realised from the disposals in the period.

There remain two significant areas of provision in the balance sheet. In the UK we have a provision of £19.2 million relating to the onerous element of the Wincanton contract that is sufficient for the maximum penalty we expect to incur under our contract. In France there is a provision of £7.4 million for the restructuring costs.

Post balance sheet events

Following the year end there were a number of important post-balance sheet events. The sale of the Spreads business was completed on 16 January 2007 for gross proceeds of £248 million and the proceeds were used to repay debt and set aside cash to match the main UK IAS 19 pension deficit. In addition the closure of the Bremerhaven factory in Germany was announced coupled with the transfer of potato salad production from Germany to The Netherlands. The remaining turnaround actions in France have also been committed to. Total cost of all those plans is estimated at circa £8 million.

Pro-forma financial position

Following the period end, we have completed the disposal of St Hubert, our French spreads business to Dairy Crest Group plc for gross proceeds of £248 million (net proceeds after tax and costs of approximately £228 million). This has transformed the balance sheet profile of the Group from one of high debt coupled with a disproportionately high pension deficit, to being cash positive with the main UK pension deficit matched by a secured cash investment. A pro-forma balance sheet as at 31 December is shown below to illustrate what a significant impact on the financial position this has had on the group. This balance sheet will support the restructuring initiatives being carried out in each of the group's regions.

	31 December 06 £m	Adjustments £m	Pro-forma £m
Other net assets	220.3	(3.7)	216.6
Net pension fund	(107.8)	-	(107.8)
Secure account cash	-	84.5	84.5
Net debt	(83.1)	143.5	60.4
Capital and reserves	29.4	224.3	253.7

Financing

In June 2006 the Group negotiated a £160 million secured banking facility designed to bridge the period through to the sale of Belgian salads and the Spreads business. The amortisation of the significant costs relating to arranging the group's committed financing facility, coupled with a higher interest rate and higher debt levels all contributed to the increased finance charges during 2006. Upon completion of the disposal of Spreads to Dairy Crest Group plc on 16 January 2007, this facility and associated charges were cancelled crystallising a significant write-off of £4.6 million to financing costs relating the to un-amortised element of the arrangement fees incurred in June 2006. This will be charged to the profit and loss account in 2007. At this time we entered into a new unsecured £40m facility with one bank on improved terms. Given that the group will be in a positive cash position, a net cash finance income is expected in 2007.

Pensions

The pension deficit, particularly the UK defined benefit scheme, is a significant part of the group's legacy with considerable assets and liabilities resulting in a deficit that is disproportionate to the size of the group. The magnitude of the assets and liabilities also produces a deficit that under IAS 19 accounting rules fluctuates significantly from period to period.

Main UK scheme. The deficit in the scheme has reduced despite our decision to move to a more prudent assumption on longevity. The effect of recognising what is known as the medium cohort effect (adjusted by adding one year to everyone's age) is that on average members are assumed to live longer and the liabilities of the scheme increase by £20.4 million. This increase in liabilities has been offset by movements in bond yields, strong investment performance and the extra contributions that the company has been making.

Since the year end we have secured £84.5 million for the benefit of the main UK pension scheme. The £84.5 million is equivalent to the IAS 19 deficit at 31 December 2006 using the more prudent longevity assumption. We remain in discussion with the trustee to agree scheme specific funding. This is a process whereby the company and the trustee agree an actuarial valuation and then a recovery plan. It is our aim in this process to provide secured cash for the scheme for the medium term and to pay it over when it is tax efficient to do so. This plan and the final amount we secure are the subject of ongoing discussion with the trustee which must be completed by June 2007.

Overseas schemes. As with the UK schemes, the change in the bond rates has improved the overall deficit on the schemes. The group is in the process of transferring the liabilities in The Netherlands to an industry wide scheme. This diversifies the risk and will remove the IAS19 liability from the balance sheet and it will now be accounted for as a defined contribution scheme. The active members representing the majority of the liability have so far been accounted for as having transferred. The remaining members of this scheme will be transferred during 2007 and we will then close the scheme.

The IAS service charge recognised in the profit and loss account amounted to £3.0 million which compares with a charge of £4.9 million in the prior year to 31 March 2006.

The net pension finance credit in the period was £0.4 million and compared with a charge in the prior year of £2.1 million. This amount is impacted by the balance between the relative mix of bonds and equity and of liabilities at the start of the financial year.

Risks and uncertainties

The Group has significantly reduced the financial risks it faces by removing entirely the outstanding debt on the sale of St. Hubert on 16 January 2007. It has also reduced the scale of the debt owed to the pension fund by setting up the secure account for the benefit of the main UK pension scheme. However there remain significant risks relating to both the scale of the pension fund liabilities that are dependent upon future mortality rates and bond yields, and the investment returns from the pension assets.

There are also significant risks relating to the three operational recoveries that we are undertaking - one in each division. These all rely on us re-establishing good customer relations and getting closer to the consumer. While we expect this to continue improving we will not get this right all of the time. All three recoveries also rely on cutting cost and there are risks inherent in such a process, namely: removing cost that actually is critical to business performance; causing short or medium term disruption; underestimating the time to deliver and unintended consequences.

Dividend

The recommended dividend per share is 2.75p reflecting a pro-rata payment for the shortened accounting period and the Board's confidence in the long-term prospects. If approved at the annual general meeting this will be paid on 31 May 2007 to shareholders on the register at the close of business on the 4 May 2007.

Movement in shareholders' funds

Shareholders' funds decreased from £75.1 million at 31 March 2006 to £29.4 million at 31 December 2006 reflecting the loss in the financial period of £32.3 million, dividends paid of £7.9 million, an actuarial loss on the pension scheme (net of tax) of £4.6 million, a net exchange loss of £1.6 million and other gains of £0.7 million.

Business performance measurement

The Group measures its performance using a series of KPI's both financial and non financial.

The financial KPI's are: sales growth; gross margin as a percentage of sales; operating profit as a percentage of sales and return on capital.

The non financial KPI's are: service levels; customer complaints; new product innovation rate and employee numbers.

Treasury risk management

The group operates a centralised treasury function in accordance with Board approved policies and guidelines covering funding and management of foreign exchange exposure and interest rate risk. Transactions entered into by the treasury function are required to be in support of, or as a consequence of, underlying commercial transactions.

Exposure to interest rate fluctuations are partly managed through the use of interest rate swaps and forward rate agreements. Objectives for the mix between fixed and floating rate borrowings are established by the board so as to seek to reduce the impact of adverse variations in interest rates on the group's profit and cash flow.

During the period the group continued to manage its net debt position in a manner designed to minimise the after tax cost of debt and seeks to maintain the currency of its average gross borrowings in a proportion so as to broadly mirror the Sterling:Euro split of trading capital employed. The group's net debt of £83.1 million at 31 December 2006 comprises borrowings and overdrafts of £91.3 million and obligations under finance leases £1.1 million offset by £9.3 million of cash and short term deposits (including cash within the assets held for sale).

Income statement
for the 9 months ended 31 December 2006

	9 Months ended 31 December 2006			Year ended 31 March 2006 (restated)		
	Before signficant items £m	**Significant items (note 2) £m**	**Total £m**	Before Significant items £m	Significant items (note 2) £m	Total £m
CONTINUING OPERATIONS						
Revenue (note 1)	**541.2**	**-**	**541.2**	706.8	-	706.8
Cost of sales	**(449.6)**	**(1.7)**	**(451.3)**	(585.0)	7.0	(578.0)
Gross profit	**91.6**	**(1.7)**	**89.9**	121.8	7.0	128.8
Distribution expenses	**(34.7)**	**-**	**(34.7)**	(47.1)	(12.0)	(59.1)
Marketing and media expenses	**(11.1)**	**-**	**(11.1)**	(11.8)	-	(11.8)
Administrative expenses	**(58.2)**	**(38.0)**	**(96.2)**	(75.1)	(20.2)	(95.3)
Other operating income	**-**	**3.1**	**3.1**	-	1.0	1.0
Operating loss before financing costs (note 1)	**(12.4)**	**(36.6)**	**(49.0)**	(12.2)	(24.2)	(36.4)
Finance income (note 3)	**1.8**	**-**	**1.8**	1.6	-	1.6
Other finance costs	**(11.7)**	**-**	**(11.7)**	(8.4)	-	(8.4)
Net pension finance income/(costs)	**0.4**	**-**	**0.4**	(2.1)	-	(2.1)
Total finance costs (note 3)	**(11.3)**	**-**	**(11.3)**	(10.5)	-	(10.5)
Loss before tax	**(21.9)**	**(36.6)**	**(58.5)**	(21.1)	(24.2)	(45.3)
Income tax credit (note 4)	**5.9**	**2.3**	**8.2**	5.7	1.3	7.0
Loss from continuing operations	**(16.0)**	**(34.3)**	**(50.3)**	(15.4)	(22.9)	(38.3)
DISCONTINUED OPERATIONS						
Profit from discontinued operations (net of tax)	**13.9**	**4.1**	**18.0**	18.7	(6.0)	12.7
Loss for the period	**(2.1)**	**(30.2)**	**(32.3)**	3.3	(28.9)	(25.6)
Earnings per ordinary share (note 5)						
Continuing operations			**(44.2)p**			(33.8)p
Discontinued operations			**15.8p**			11.2p
Basic and diluted			**(28.4)p**			(22.6)p
Proposed dividend per share (note 6)			**2.75p**			4.5p
Average Euro exchange rate			**1.47**			1.46

Balance sheet
at 31 December 2006

	31 December 2006 £m	31 March 2006 £m
ASSETS		
Non-current assets		
Property, plant and equipment	**184.8**	195.3
Intangible assets	**46.2**	108.1
Deferred tax assets	**45.0**	46.3
	276.0	349.7
Current assets		
Inventories	**47.3**	52.3
Trade and other receivables	**123.7**	128.5
Cash and cash equivalents	**9.0**	22.3
Assets classified as held for sale	**22.7**	-
	202.7	203.1
Total assets	**478.7**	552.8
LIABILITIES		
Non-current liabilities		
Borrowings (note 10)	**91.3**	-
Retirement benefit obligations (note 11)	**107.8**	125.1
Derivative financial liabilities	**1.0**	1.4
Provisions	**12.6**	19.8
Deferred tax liabilities	**6.4**	8.0
	219.1	154.3
Current liabilities		
Borrowings	**1.1**	96.8
Trade and other payables	**178.1**	198.8
Provisions	**18.4**	11.5
Income tax liabilities	**12.0**	16.3
Liabilities associated with assets classified as held for sale	**20.6**	-
	230.2	323.4
Total liabilities	**449.3**	477.7
Total assets less liabilities	**29.4**	75.1
EQUITY		
Shareholders' equity (note 12)		
Total called up share capital	**11.5**	11.5
Share premium	**0.1**	0.1
Other reserves	**(324.6)**	(323.0)
Retained earnings	**342.4**	386.5
Total equity	**29.4**	75.1
Closing Euro exchange rate	**1.48**	1.43

Group cash flow statement
for the 9 months ended 31 December 2006

	9 months ended 31 December 2006	Year ended 31 March 2006 (restated)
	£m	£m
CONTINUING OPERATIONS		
Cash flows from operating activities		
Loss before tax	**(58.5)**	(45.3)
Net finance costs	**9.5**	8.9
Depreciation and amortisation	**15.9**	19.8
Goodwill impairment	**28.6**	-
Net asset write-down and impairment	**-**	0.7
Charge for share-based payments	**0.6**	0.9
Profit on disposal of property, plant and equipment	**-**	(1.0)
Pension curtailment gain	**(3.1)**	-
Difference between pension charge and cash contributions	**(12.4)**	(16.4)
Decrease/(increase) in inventory	**0.2**	(0.8)
(Increase)/decrease in accounts receivable	**(23.1)**	-
Increase/(decrease) in accounts payable	**9.4**	(3.3)
(Increase)/decrease in working capital	**(13.5)**	(4.1)
(Decrease)/increase in provisions	**(2.0)**	0.8
Cash utilised by operations	**(34.9)**	(35.7)
Interest paid	**(14.1)**	(5.7)
Interest received	**1.8**	1.3
Income tax received	**0.7**	2.7
Net cash utilised by operating activities	**(46.5)**	(37.4)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(15.5)**	(35.8)
Proceeds from sale of property, plant and equipment	**0.8**	11.9
Purchases of intangible assets	**(0.4)**	(1.9)
Net cash outflow from investing activities	**(15.1)**	(25.8)
Cash flows from financing activities		
Proceeds from borrowings	**2.9**	41.4
Equity dividends paid (note 6)	**(5.1)**	(8.0)
Share options exercised	**0.1**	-
Net cash (outflow)/inflow from financing activities	**(2.1)**	33.4
DISCONTINUED OPERATIONS		
Net cash from operating activities	**17.0**	20.0
Net cash from investing activities	**35.1**	5.6
Net cash from discontinued operations	**52.1**	25.6
Net decrease in cash and cash equivalents	**(11.6)**	(4.2)
Cash and cash equivalents at beginning of period	**19.6**	24.2
Effect of foreign exchange rate changes	**1.0**	(0.4)
Cash and cash equivalents at end of period	**9.0**	19.6
Cash and cash equivalents consist of:		
Cash at bank and in hand	**9.0**	22.3
Bank overdrafts	**-**	(2.7)
	9.0	19.6

Statement of recognised income and expense
for the 9 months ended 31 December 2006

	9 months ended 31 December 2006 £m	Year ended 31 March 2006 £m
Actuarial gain recognised on the pension schemes	**0.1**	2.8
Movement on deferred tax relating to pensions		
- on actuarial gain	**(0.1)**	(0.9)
- excess tax relief on contributions paid	**(4.6)**	(3.9)
Period movement on hedging items		
- amount recognised in equity during the period	**(0.6)**	5.1
- amount removed from equity and included in the income statement	**(0.9)**	-
Exchange	**(0.1)**	(1.1)
Net (expense)/income recognised directly in equity	**(6.2)**	2.0
Loss for the period	**(32.3)**	(25.6)
Total recognised income and expense for the period	**(38.5)**	(23.6)

Notes to the preliminary financial statements
for the 9 months ended 31 December 2006

1 Segmental analysis summary

	Revenue		Operating profit / (loss) before significant items, interest and tax		Operating profit / (loss) before interest and tax	
	9 months ended 31 December 2006	Year ended 31 March 2006 (restated)	**9 months ended 31 December 2006**	Year ended 31 March 2006 (restated)	**9 months ended 31 December 2006**	Year ended 31 March 2006 (restated)
	£m	£m	**£m**	£m	**£m**	£m
By Geographic Segment						
United Kingdom	**258.0**	321.8	**(3.4)**	(12.5)	**(5.1)**	(30.9)
Northern Europe	**160.0**	205.0	**(3.6)**	(4.2)	**(29.1)**	(8.5)
Southern Europe	**123.2**	180.0	**(5.4)**	4.5	**(14.8)**	3.0
Continuing operations	**541.2**	706.8	**(12.4)**	(12.2)	**(49.0)**	(36.4)
Discontinued operations	**78.4**	118.3	**21.1**	25.7	**25.2**	19.3
	619.6	825.1	**8.7**	13.5	**(23.8)**	17.1

2 Significant items

	9 months ended 31 December 2006	Year ended 31 March 2006 (restated)
	£m	£m
Goodwill impairment	**(28.6)**	-
French restructuring	**(9.4)**	-
Minsterley re-organisation costs	**(1.7)**	-
Pension curtailment gain	**3.1**	-
'Fit for purpose' programme	**-**	(17.8)
Wincanton contract	**-**	(12.0)
Group Supply Chain project	**-**	7.1
Property disposals	**-**	1.0
Other	**-**	(2.5)
	(36.6)	(24.2)
Tax credit on significant items	**2.3**	1.3
Continuing operations	**(34.3)**	(22.9)
Discontinued operations	**4.1**	(6.0)
	(30.2)	(28.9)

Goodwill impairment
The goodwill impairment resulted from an impairment test carried out on the Northern Europe segment and reflects the downturn in business seen in the German salads market and the impact of the sale of Uniq Belgium NV.

French restructuring
Following the confirmation of the sale of the French spreads business, a restructuring programme was announced in October 2006 to rationalise the remaining cost base principally including redundancy and associated legal costs.

Minsterley re-organisation costs
The reorganisation costs in the current period relate to the restructuring of the operations at the Minsterley site, comprising redundancy costs of £1.2m and other costs of £0.5m.

Pension curtailment gain
The Dutch pension scheme is in the process of being transferred to an industry wide fund, the effective date of which is 1 January 2006. The assets will only physically be transferred in 2007, however a curtailment gain has been recognised in accordance with IAS19.

Discontinued operations
This comprises £2.9m loss on the disposal of Andros Foods SA and £7.0m gain on the disposal of Uniq Belgium NV. Further detail of the disposals are disclosed in note 7.

Notes to the preliminary financial statements
for the 9 months ended 31 December 2006

3 Net finance costs

	9 months ended 31 December 2006 £m	Year ended 31 March 2006 (restated) £m
Interest receivable		
Bank balances	**1.8**	1.3
Discount on long term debtors	**-**	0.3
	1.8	1.6
Interest payable and similar charges		
Bank loans	**(7.7)**	(5.6)
Finance leases	**(0.1)**	(0.1)
Discount on long term provisions	**(1.0)**	(0.9)
Net foreign exchange losses	**(1.1)**	(1.7)
Amortisation of finance arrangement costs	**(1.8)**	(0.1)
	(11.7)	(8.4)
Net pension finance costs		
Expected return on pension fund assets	**27.4**	32.6
Interest on pension fund liabilities	**(27.0)**	(34.7)
	0.4	(2.1)
Net finance costs	**(9.5)**	(8.9)

4 Income Tax

The tax credit on the loss before significant items for continuing operations is £5.9m (31 March 2006: £5.7m) comprising; UK £3.2m credit (31 March 2006:£1.0m), Continental Europe £2.7m credit (31 March 2006:£4.7m).

	9 months ended 31 December 2006 £m	Year ended 31 March 2006 (restated) £m
UK corporation tax		
- current	**-**	-
- prior	**0.1**	0.2
Overseas tax		
- current	**2.3**	(2.2)
- prior	**0.6**	2.8
Deferred tax		
- credit excluding temporary differences on pension costs	**3.0**	4.2
- credit for temporary differences on pension costs	**(0.1)**	0.7
	5.9	5.7
Tax on significant items	**2.3**	1.3
Tax on continuing operations	**8.2**	7.0
Tax on discontinued operations	**(7.2)**	(6.6)
	1.0	0.4

The group has used tax losses to reduce tax payments in respect of the current and prior years.

Notes to the preliminary financial statements
for the 9 months ended 31 December 2006

5 Earnings per share

Basic and diluted loss per share
Basic earnings per ordinary share is calculated on the basis of the weighted average of 113.6m (31 March 2006: 113.5m) ordinary shares in issue and a loss for the financial period of £58.5m (31 March 2006: £45.3m). There were no dilutive potential shares in the current financial period (31 March 2006 : Nil).

Adjusted loss per share
Adjusted loss per share is shown by reference to loss before significant items and related tax. It also excludes tax on prior year items and exchange gains and losses on non-permanent intercompany loans. Adjusted loss per share is presented as the directors consider that this gives valuable additional information about the ongoing earnings performance of the group and is calculated as follows:

Adjusted EPS on total group	**9 months ended 31 December 2006 £m**	Year ended 31 March 2006 (restated) £m
Loss for the period	**(32.3)**	(25.6)
Significant items on continuing operations	**36.6**	24.2
Significant items on discontinued operations	**(4.1)**	6.4
Exchange gains and losses on non-permanent intercompany loans	**1.2**	1.5
Loss before tax and significant items	**1.4**	6.5
Related tax	**(2.3)**	(1.7)
Exclude tax charge on prior year items	**(0.5)**	(5.0)
Loss before significant items and prior year tax items	**(1.4)**	(0.2)
	Pence per share	Pence per share
Adjusted loss per ordinary share	**(1.2)**	(0.2)

6 Dividends

	9 months ended 31 December 2006 Pence per share	Year ended 31 March 2006 Pence per share	**9 months ended 31 December 2006 £m**	Year ended 31 March 2006 £m
Dividends paid by Uniq plc:				
- final dividend	**4.5**	4.5	**5.1**	5.1
- interim dividend	**2.5**	2.5	**2.8**	2.9
	7.0	7.0	**7.9**	8.0
Proposed dividend per share	**2.75**	4.5	**3.1**	5.1

At 31 December 2006, the 2006 final dividend had not been approved by the shareholders and as such was not included as a liability. Subject to shareholder's approval at the AGM the final dividend is payable on 31 May 2007, to shareholders on the register of shareholders at 4 May 2007.

7 Business Disposals

During the period the group disposed of two businesses, Uniq Belgium NV and Andros Food SA. Following the fire at the group's Spanish business at its Madrid site in May 2005, Andros Foods SA was disposed of on 9 August 2006 for €1. The sale of Uniq Belgium NV completed on 20 November 2006 to the Benelux investment group, Gilde, for a total consideration of £40m.

	9 months ended 31 December 2006		
	Uniq Belgium NV £m	Andros Food SA £m	Total £m
Gain / (loss) on disposal			
Property, plant and equipment	2.3	-	2.3
Intangible assets	29.5	-	29.5
Working capital	0.7	2.2	2.9
Provisions	(0.1)	-	(0.1)
Tax	(2.4)	-	(2.4)
Net assets disposed	30.0	2.2	32.2
Net cash consideration received	38.0	-	38.0
Disposal costs	(1.0)	(0.7)	(1.7)
Gain/(loss)	7.0	(2.9)	4.1

Included in the loss on sale of Andros Food SA of £2.9m is a payment of £0.6m that was made to assist the purchaser with its reorganisation of the business.

8 Assets held for sale

The group has classified the following businesses as held for sale following the commitment of the group's management to a plan to sell:

- St Hubert SAS (the French spreads business)
- Natural Foods SA (the remaining Spanish salads business)

The decision to sell these businesses was made in order to crystallize their value, reduce the group's debt and match the pension liabilities. The sale of St Hubert SAS completed on 16 January 2007 for a gross consideration of £248m. The remaining disposal is expected to be finalised within the near future.

Assets classified as held for sale	**31 December 2006 £m**
Property, plant and equipment	**5.2**
Intangible assets	**0.1**
Inventory	**2.5**
Trade and other receivables	**13.5**
Cash	**0.3**
Tax	**1.1**
	22.7

Liabilities classified as held for sale	**31 December 2006 £m**
Trade and other payables	**(19.9)**
Retirement benefit obligations	**(0.7)**
	(20.6)

Notes to the preliminary financial statements
for the 9 months ended 31 December 2006

9 Discontinued operations

During the period the group reclassified the French spreads, Belgian salads and Spanish businesses as held for sale. The comparative income statement and cash flow statements have been restated to show them as discontinued operations.

Profits attributable to the discontinued operations were as follows:

	9 months ended 31 December 2006 £m	Year ended 31 March 2006 (restated) £m
Results of discontinued operations		
Revenue	**78.4**	118.3
Expenses	**(57.3)**	(92.6)
Results from operating activities	**21.1**	25.7
Income tax expense	**(7.2)**	(7.0)
Profit after tax before significant items	**13.9**	18.7
Significant items	**4.1**	(6.4)
Tax on significant items	**-**	0.4
Profit for the period	**18.0**	12.7

10 Borrowings

	Cash at bank and in hand £m	Bank Over-drafts £m	Cash and over-drafts £m	Borrowings due within one year £m	Borrowings due after one year £m	Borrowings £m	Net debt £m
Analysis of net debt							
Opening balance	22.3	(2.7)	19.6	(94.1)	-	(94.1)	(74.5)
Change in maturity	-	-	-	115.0	(115.0)	-	-
Effect of foreign exchange rate changes	1.0	-	1.0	-	-	-	1.0
Cashflow	(14.3)	2.7	(11.6)	(22.0)	23.7	1.7	(9.9)
Closing balance	9.0	-	9.0	(1.1)	(91.3)	(92.4)	(83.4)

11 Retirement benefit obligations

Assumptions	**UK**			**Overseas**		
	31 December 2006 %	31 March 2006 %	31 March 2005 %	**31 December 2006 %**	31 March 2006 %	31 March 2005 %
Inflation	**3.0**	2.9	2.8	**1.8**	1.9	1.9
Pension increases	**3.0**	2.9	2.6	**2.3**	2.1	1.9
Salary growth	**4.5**	4.4	4.3	**2.7**	2.7	2.7
Discount rate	**5.3**	5.1	5.5	**4.4**	4.2	4.7
Expected return for:						
- equities	**7.5**	7.4	7.7	**8.0**	7.0	7.5
- bonds	**4.6**	4.4	5.1	**5.0**	5.0	5.0
- other	**4.3**	4.2	4.7	**5.0**	5.0	5.0

During the year the mortality assumptions for the UK schemes were changed to PA92MC+1. The longevity assumptions are therefore:

	31 December 2006	**31 March 2006**
	Years	**Years**
Life expectancy of a male aged 65 in 2006	20.9	19.6
Life expectancy of a male aged 65 in 2026	22.0	20.9

The tables below set out the fair value of assets, the present value of the IAS19 liabilities and the deficit of assets below the IAS19 liabilities (which equals the net pension deficit). The fair value of the schemes' assets is not intended to be realised in the short term and may be subject to significant changes before realisation. The present value of the schemes' liabilities is derived from cash flow projections over long periods and is thus inherently uncertain.

	31 December 2006			31 March 2006		
	UK	**Overseas**	**Total**	UK	Overseas	Total
	£m	**£m**	**£m**	£m	£m	£m
Fair value of assets:						
- Equities	**358.4**	**-**	**358.4**	337.3	7.7	345.0
- Bonds and gilts	**246.2**	**-**	**246.2**	246.6	10.6	257.2
- Other	**1.1**	**18.8**	**19.9**	2.2	0.4	2.6
Fair value of plan assets	**605.7**	**18.8**	**624.5**	586.1	18.7	604.8
Defined benefit obligation:						
Funded	**(690.7)**	**(22.0)**	**(712.7)**	(683.8)	(25.5)	(709.3)
Wholly unfunded	**(3.3)**	**(16.3)**	**(19.6)**	(4.1)	(16.5)	(20.6)
Present value of defined benefit obligation	**(694.0)**	**(38.3)**	**(732.3)**	(687.9)	(42.0)	(729.9)
Net liability in balance sheet	**(88.3)**	**(19.5)**	**(107.8)**	(101.8)	(23.3)	(125.1)

	31 December 2006			31 March 2006		
	UK	**Overseas**	**Total**	UK	Overseas	Total
	£m	**£m**	**£m**	£m	£m	£m
Movement in deficit during the period:						
Opening balance	**(101.8)**	**(23.3)**	**(125.1)**	(121.6)	(20.3)	(141.9)
Current service cost	**(2.6)**	**(0.4)**	**(3.0)**	(3.7)	(1.2)	(4.9)
Past service cost	**-**	**-**	**-**	(0.1)	0.1	-
Curtailments and settlement	**-**	**3.1**	**3.1**	0.9	0.1	1.0
Contributions	**14.0**	**-**	**14.0**	18.9	1.4	20.3
Net finance credit/(charge)	**0.7**	**(0.3)**	**0.4**	(1.4)	(0.7)	(2.1)
Benefits paid	**0.7**	**0.5**	**1.2**	-	-	-
Actuarial gain/(loss)	**0.7**	**(0.6)**	**0.1**	5.2	(2.4)	2.8
Transferred to held for sale	**-**	**0.5**	**0.5**	-	-	-
Exchange adjustment	**-**	**1.0**	**1.0**	-	(0.3)	(0.3)
Closing balance	**(88.3)**	**(19.5)**	**(107.8)**	(101.8)	(23.3)	(125.1)

12 Shareholders' equity

	Share capital	Share premium	Merger reserve	Hedging reserve	Translation reserve	Retained earnings	**Total**
	£m	£m	£m	£m	£m	£m	**£m**
At 1 April 2006	11.5	0.1	(330.2)	2.6	4.6	386.5	**75.1**
Loss for the period	-	-	-	-	-	(32.3)	**(32.3)**
Share-based compensation charge	-	-	-	-	-	0.6	**0.6**
Share options exercised	-	-	-	-	-	0.1	**0.1**
Dividends	-	-	-	-	-	(7.9)	**(7.9)**
Gains and losses deferred in equity	-	-	-	(1.5)	-	-	**(1.5)**
Actuarial loss on pension schemes (net of tax)	-	-	-	-	-	(4.6)	**(4.6)**
Exchange	-	-	-	-	(0.1)	-	**(0.1)**
At 31 December 2006	**11.5**	**0.1**	**(330.2)**	**1.1**	**4.5**	**342.4**	**29.4**

13 Events after balance sheet date

On 16th January 2007 the group sold St Hubert SAS for a gross consideration of £248m realising a gain on disposal in excess of £200m. On the same date the existing bank facility was repaid and replaced with a £40m committed working capital facility that expires in March 2010. An amount of cash equal to the UK main fund's net IAS19 pension deficit as at 31 December 2006 has been placed into a secure account in favour of the UK pension fund. This arrangement has been cleared with the Pensions Regulator.

Subsequent to the year end, the group has announced the closure of its Bremerhaven factory in Germany transfering fish production to Poznan in Poland and potato salad production to Losser in The Netherlands. Additionally the group has committed to some further actions in the Marie business in France. The total cost of these events is expected to be in the order of £8m.

The changes to UK corporate tax rates announced in the Budget on 21 March 2007 mean that the deferred tax asset representing tax relief available on retirement benefits payable in the future will be reduced by £2m reflecting the proposed cut in the rate of 30% to 28% from April 2008 onwards. The reduction for other deferred tax assets is £0.5m.

14 Accounting policies

A. Accounting convention and basis of preparation

Uniq plc is a company incorporated in the UK. The group financial statements consolidate those of the company and its subsidiaries (together referred to as the group). The parent company financial statements present information about the company as a separate entity and not about its group.

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and those parts of the Companies Act 1985 applicable to companies reporting under IFRS. In publishing the parent company financial statements here together with the group financial statements, the company has taken advantage of the exemption in s230 of the Companies Act 1985 not to present its individual income statement and related notes that form a part of these approved financial statements.

The financial statements are prepared on the historical cost basis except for certain financial instruments that are stated at their fair values.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and related IFRIC interpretations in issue, that have been endorsed by the European Commission and are effective at 31 December 2006, or where the group has chosen to adopt early at 31 December 2006 ('adopted IFRS').

New accounting policies and future requirements

The following standards or interpretations, issued by the IASB or the IFRIC, that have been adopted by the European Commission, came into effect during the year and have been adopted by the group:

Amendment to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 4 Insurance Contracts
Amendment to IAS 19 Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates
IFRIC 4 Determining whether an Arrangement contains a Lease
IFRIC 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

The standards listed above did not have a significant effect on the consolidated results or financial position of the group.

The following standards or interpretations, issued by the IASB or the IFRIC, have been adopted by the European Commission, but only become effective for accounting periods after 31 December 2006:

Amendment to IAS 1 Presentation of Financial Statements Capital Disclosures
IFRS 7 Financial Instruments: Disclosures
IFRIC 8 Scope of IFRS 2
IFRIC 9 Re-assessment of Embedded Derivatives

The group does not currently believe the adoption of these standards or interpretations, which are not yet effective, will have a significant effect on the consolidated results or financial position of the group.

The following standards or interpretations, issued by the IASB or the IFRIC, have not yet been adopted by the European Commission and only become effective for accounting periods beginning after 31 December 2006:

IFRS 8 Operating Segments
IFRIC 10 Interim Financial Reporting and Impairment
IFRIC 11 Group and Treasury Share Transactions

The Group is currently assessing the impact of these standards or interpretations, which are not yet effective.

B. Financial year
The group changed its financial year to 31 December. The financial statements are prepared to reflect trading up to the Saturday nearest to the accounting reference date. This year's income statement covers the 39-week period ended 30 December 2006. Last year's income statement covered the 52 weeks ended 1 April 2006.

15 The financial information set out in the preliminary announcement does not constitute the Group's statutory accounts for the nine month period ending 31 December 2006 and year end 31 March 2006. The statutory accounts for the period ended 31 December 2006 have been audited, and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The financial information for the year ended 31 March 2006 has been derived from the statutory accounts for the year ended 31 March 2006 and have been delivered to the Registrar of Companies. The auditors have reported on the accounts for the year ended 31 March 2006; their report was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

The Annual General Meeting of Uniq plc will be held at 12 noon on 17 May 2007 at The Institution of Mechanical Engineers, One Birdcage Walk, Westminster, SW1.