

21 November 2006

Uniq PLC
Interim Results
Recovery Gathering Momentum

Uniq, the European chilled convenience food group, today announces interim results for the six months ended 30 September 2006. Key points include:

	2006	2005
	£m	Restated
		£m
Revenue – continuing	352.0	344.8
Revenue – discontinued	54.3	63.0
Revenue total	406.3	407.8
Before significant items⁽¹⁾		
Operating loss – continuing	(8.4)	(12.2)
Operating profit - discontinued	14.3	12.4
Operating profit total	5.9	0.2
Profit/(loss) before tax	1.5	(2.2)
Adjusted loss per share ⁽²⁾	(0.2)p	(5.5)p
After significant items⁽¹⁾		
Operating (loss)/profit	(27.3)	1.1
Loss before tax	(31.7)	(1.3)
Basic loss per share	(28.4)p	(1.1)p

- Significantly improved operating profit of £5.9 million
- Operating loss on continuing businesses cut by one third
- Revenue from continuing business up 2% with UK up 5%
- UK business excluding Minsterley increased net margin to 4%
- More aggressive recovery plan implemented at Minsterley
- Spreads and Belgian salads disposals will transform the balance sheet
- Interim dividend maintained at 2.5p

Chief Executive, Geoff Eaton commenting on the results said:

“Our recovery is gathering momentum and will be underpinned by a strong balance sheet with net cash and reduced pension exposure. All our divisions have strong entrepreneurial leadership and are on recovery paths, with the UK leading the way.”

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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. At the half year they amounted to £30.3 million on continuing businesses and £2.9 million on discontinued businesses, all of which is charged to operating profit, principally comprising a new restructuring plan at Minsterley and goodwill impairment of the Northern European business.

(2) Adjusted earnings per share exclude significant items, prior year tax credits and exchange gains and losses on non permanent inter company loans.

Note :

Unless otherwise stated, operating profit/(loss) refers to operating profit/(loss) before significant items

**Report to shareholders
for the six months ended 30 September 2006****Introduction**

It is a year since my first interim report as your Chief Executive and, as I predicted then, it has been an interesting and challenging year.

Over the past twelve months, the pace of change in your business has picked up significantly. We have:

- installed new and experienced entrepreneurial leaders in each division
- introduced focus and accountability at the business unit level
- reconnected with our customers
- encouraged greater passion for innovation and really good food

Since June we have been focusing our efforts on those convenience food businesses that we judge to have the highest potential for significant profit improvement and value creation.

On 9 November we announced the proposed sale of our French Spreads business, St Hubert SAS to Dairy Crest Group plc for a total consideration of €370 million (£248 million). This transaction is subject to the French Works Council consultation process and, due to its size, is conditional upon the approval of both Uniq's and Dairy Crest's shareholders. The sale is expected to complete in January 2007 and result in a gain of approximately £220 million.

On 20 November we also announced the disposal of our Belgian salads business to the Benelux investment group, Gilde, for a total consideration of €60 million (£41 million). The disposal resulted in a gain of approximately £5 million.

The proceeds from the disposals will transform the balance sheet as we intended. The £160 million bank facilities will be replaced by a £40 million revolving credit facility. An amount equivalent to the UK pension deficit will be ring fenced and secured for the benefit of the UK pension scheme (at 30 September 2006 the IAS 19 deficit was £85.2 million). The balance of proceeds will be available to support our growth and recovery plans.

A proforma balance sheet has been produced in Note 15 of this announcement detailing the impact of these disposals on the continuing group as if sold at 30 September 2006. This highlights a net asset position of £269 million.

The exciting prospect for shareholders is that our continuing operations represent 86% of group sales amounting to over £700 million. Although we will have sold operating profit of £26 million when the group as a whole generated only £13 million last year, we did this because we are confident of the potential of the continuing businesses.

I am pleased to report we are seeing evidence of recovery in all three of our divisions and we are continuing to manage considerable change throughout the Group. In the UK we have six relatively new business units each at different stages of development; Minsterley is still tackling a major turnaround. In Northern Europe we have made good progress in all of the countries apart from Germany where we face further challenge. In France we are at the start of consultations on restructuring and implementing the previously trailed relaunch of our frozen business. All of this activity is focused on unlocking the potential of Uniq.

Operating Performance

Our total group operating profit of £5.9 million for the six months ended 30 September 2006 is a significant improvement on a breakeven result in the previous half year. Our attention is now focused on the momentum of improvement in our continuing businesses. These incurred operating losses of £12.2 million in the year ended 31 March 2006. In the six months to 30 September 2006 the operating loss was £8.4 million, an

improvement of £3.8 million on the first half of 2005/06. The continuing businesses are seasonally biased towards the winter months and the momentum is encouraging.

The phasing of profit of the discontinued businesses is broadly constant throughout the year.

United Kingdom

I am pleased to report we reduced our first half operating loss in the UK by £8.4 million to an operating loss of £1.5 million, a result materially held back by operating losses of £6.8 million at Minsterley. Excluding Minsterley, the UK generated an operating profit of £5.3 million, an improvement of £6.4 million with a margin of 4%. Sales growth in the UK accelerated to 5%, notwithstanding our decision to be more selective in our support for promotional activity. The improving growth rate in the UK reflects the benefits of the many changes we have implemented which have allowed us to take better advantage of the growth inherent in the sectors we serve and the momentum of our largest customer. We are building a foundation and entrepreneurial culture for growth in the UK which we believe has exciting long term potential.

In September we launched a more aggressive recovery plan at Minsterley aimed at creating better manufacturing accountability and reducing the number of shifts to drive improved efficiencies and cut waste. We expect this plan to return the business to breakeven during 2007. The cost of this new plan is £1.7 million. The weekly positive trend in efficiency, waste and productivity since this change has been encouraging.

Northern Europe

In Northern Europe we made an operating loss of £2.8 million on continuing businesses reflecting a downturn in performance in German branded salads. There was a strong performance from the divested Belgian salads business which contributed an operating profit of £3.9 million. The de-centralised structure we have introduced under the new management team is more appropriately focused on local markets and innovation and, encouragingly, sales in the continuing businesses are ahead of last year by 3%.

Poland has made good progress following the appointment of new local management and the fish manufacturing process has increased efficiency as the business has settled following completion of the transfer of production from Germany. The branded salads business in the Netherlands is benefiting from increased marketing investment and new product development.

France

The £4.1 million operating loss on continuing businesses in France was worse by £3.3 million than last year due in part to a £1.0m increase in marketing investment but also because of the decline in our frozen convenience business. Another strong period from the Spreads business contributed £10.4 million in operating profit in the period.

Marie is a brand with high consumer awareness serving a fast growing chilled convenience market and a mature frozen convenience market with strong competition from private label. Following the separation of the Spreads business in readiness for disposal, the Marie Convenience business is being relaunched under the entrepreneurial leadership of Paolo Schiratti. A new strategic plan has been adopted to revitalise the brand; devolve and increase the pace of decision making and to address competitiveness. On 10 October 2006, Uniq commenced discussions with the French Works Council about a restructuring plan to achieve this. We are confident that all the actions we are taking in France will unlock the true potential of this business. We are already seeing positive signs that the decline in the frozen business is being successfully addressed.

In August we disposed of our loss making sandwich business in Spain, which has continued to suffer since the fire in the first half of last year.

Accounting Date Change

The Board has decided to change Uniq's accounting year end to 31 December. The natural cycle in the convenience businesses, many of which peak at Christmas coupled with our desire to show more clearly the recovery of the retained businesses going forward will be better suited to a December year end. In addition this will remove the effect of the timing of Easter on our existing year end of 31 March.

The group will therefore prepare results for the nine-month period ending 31 December 2006 for announcement on 26 March 2007 and we will publish a trading update on 15 January.

Dividend

The Board continues to reflect its confidence in the recovery by holding the interim dividend at 2.5 pence per share. The final dividend for the nine-month period to 31 December 2006 will reflect the shorter period.

Outlook

We expect that the overall improvement in trading from our continuing businesses that we have seen in the first six months of the year will continue into the next three months. In the UK we expect a continuing improvement in trading although we have reached the anniversary of last year's cost savings. The actions already taken by the Northern European management team mean that we are confident that the declining performance of the continuing business will be slowed. In France, the continuing business is seasonally biased towards the winter months but we do not expect the restructuring benefit to come through until 2007.

The Board remains confident that momentum will continue to build and expects that during the calendar year 2007 Minsterley will reach break-even, the rest of the UK will improve its margins, the change underway at Marie will enable it to compete profitably again and in Northern Europe the performance in Germany will be stabilised and we will see further progress in Poland and the Netherlands.

Business Review for the six months ended 30 September 2006

	Revenue 2006/7 £m	Revenue 2005/6 (restated) £m	Op. Profit 2006/7 £m	Op. Profit 2005/6 (restated) £m
UK	167.9	160.6	(1.5)	(9.9)
Northern Europe	104.2	101.0	(2.8)	(1.5)
France	79.9	83.2	(4.1)	(0.8)
Total continuing before significant items	352.0	344.8	(8.4)	(12.2)
Discontinued operations before significant items	54.3	63.0	14.3	12.4
Total before significant items	406.3	407.8	5.9	0.2
Significant items			(33.2)	0.7
Total after significant items			(27.3)	0.9

Financial Results Summary

Total revenue of £406.3 million was marginally below last year. On continuing businesses, turnover was ahead of last year with improved performances in the UK and Northern Europe. Total group operating profit of £5.9 million was ahead of last year by £5.7 million. On continuing businesses operating loss was £8.4 million which was £3.8 million better than last year as a result of the strongly improved trading position in the UK. A decline in the Continental European businesses was partially due to an increase in marketing and media spend of £1.5 million. Exchange differences were negligible in the period but are expected to increase in the latter part of the financial period following the recent fluctuations in the Euro : Sterling rate.

Following the decision to enter a disposal process the Spreads, Belgian and Spanish businesses have been treated as discontinued in the results.

Net finance charges have increased to £4.4 million reflecting higher debt levels, increased interest rates and amortisation of costs of raising finance on the banking facility put in place earlier this year.

UK

Sales in the UK of £167.9 million were 5% ahead of last year. The operating loss of £1.5 million was £8.4 million ahead of last year as the benefits of focus on business units started to take effect.

Evercreech/Paignton/Minsterley Sales in the three business units, comprising the desserts and cottage cheese businesses, were ahead of last year by 1%. An improvement in performance was seen at the loss-making Minsterley site but was below expectations and resulted in a more aggressive recovery plan being implemented in September. This is expected to return the site to breakeven during 2007. The trend in sales of cottage cheese has improved against the market decline seen in recent years and we will look to enhance further this category through innovation in the market place. We are also continuing to innovate in the desserts category and are investing £1.0 million in new manufacturing facilities at our Paignton site to support new product lines.

Northampton The sandwiches business continued to grow in the period with sales 14% ahead of last year driven by a re-launch of wraps and increased volumes in new store formats for Marks & Spencer. There was also a recovery in the airport catering business.

Pinneys Sales in the fish business declined by 9% primarily due to lower promotional activity resulting from the high price of salmon in the period, together with the exit from the Carrefour export business. The business is now producing a new range of salmon and 'Ready to Cook' meals for Marks & Spencer and therefore volumes are expected to increase.

Smedleys Sales increased by 17% over last year following the good summer weather and increased volumes, albeit at lower margins, obtained with a key customer. A new contract, will further enhance volumes in the first quarter of 2007 and provide a platform for further growth in the new year.

Northern Europe

Sales of continuing businesses were ahead of last year by 3%. Trading in the German market continues to be tough with branded salads particularly difficult. This was offset by a recovery in fish sales and improved trading in the Netherlands and Poland. An operating loss of £2.8 million on continuing businesses was £1.3 million worse than last year primarily as a result of trading in Germany.

Germany The business sells salads and fish products and sales in the period were in line with the prior year. Whilst sales within the fish business were ahead of prior year, the branded salads business declined. The German market is still intensely competitive and whilst the private label side continues to grow share in the market for salads, this is at the expense of branded products. This has led to a weakening position in the German market.

Poland Selling fish products, sales were significantly up on the prior year by 25%. We are the market leader for fish products in the Polish market under the Lisner brand.

Netherlands The primarily branded salads business increased sales year on year by 9% due to an improved summer and the impact of Easter falling in the period.

Sandwiches Sales fell by 17% following the loss of a key contract in the period. Management is currently reviewing a number of opportunities in relation to this business.

France

Overall sales in the continuing businesses declined by 4% compared with the same period last year primarily as a result of a continuing difficult market in frozen convenience. An operating loss of £4.1 million was recorded which was £3.3 million worse than last year. Marketing and media spend increased in the period by £1.0 million in support of the Marie brand which impacted this result. The business is seasonally biased towards the winter months.

The chilled convenience market continues to grow with the branded Marie products increasing sales by 11% in the period. This contrasts with the frozen market which was flat and within which our sales declined by 11%. Within this, the branded frozen business declined further than the own label business, however an improving trend is now being seen in our frozen business and further recovery is anticipated in the next three months.

Discontinued Operations

The businesses held for sale performed well in the period. Belgium grew sales by 12% in the period and Spreads in France grew sales by 6%.

Financial Position

The net debt position at the half year increased to £113.3 million.

The proceeds of the two disposals will eliminate the bank borrowings and we will secure an amount equal to the IAS19 deficit at the time of completion of the disposal of the Spreads business for the main UK scheme. As a result of securing the full IAS 19 deficit for the benefit of the UK pension scheme future additional cash contributions are expected to be funded from this secure account. A new revolving credit facility of £40m has been agreed to support the working capital requirements of the business following the disposal of Spreads and the repayment of the existing facility.

Net assets at 30 September of £38.2 million reduced by £36.9 million since 31 March 2006 primarily reflecting the goodwill impairment of £28.6 million.

Movement in Borrowings

The change in net debt in the period of £38.8 million can be summarised as follows: -

	2006/07	2005/06
	£'m	£'m
Operating inflow	12.5	10.3
Working capital	(13.9)	(11.2)
Net capital expenditure	(11.0)	(19.6)
Trading outflow	(12.4)	(20.5)
Pension contributions	(8.4)	(7.2)
Provision & significant items	(9.5)	(12.7)
Tax	(4.6)	(6.4)
Dividends	(5.1)	(5.1)
Acquisitions & disposals	(0.7)	6.6
Other	1.9	0.3
Total outflow	(38.8)	(45.0)

The outflow reflected the seasonal outflow in working capital together with the costs of refinancing the group in the first half of £6 million, pension contributions, costs in respect of the onerous contract with Wincanton and restructuring costs. This will reverse following the Christmas period.

Disposals

We announced on 9 November our proposal to sell the French Spreads business to Dairy Crest Group plc for €370 million (£248 million). We anticipate this disposal will complete in January 2007 following employee consultation and shareholder approval. This will result in a gain on disposal of approximately £220 million. Costs and tax on the disposal will be approximately £20 million.

We also announced on 20 November the disposal of the Belgian salads business to the Benelux investment group, Gilde, for €60 million (£41 million). The gain on disposal is estimated at £5 million.

Significant Items

Significant items in the period totalled £33.2 million. This comprised a goodwill impairment charge of £28.6 million, £1.7 million relating to the recovery plan at Minsterley and £2.9 million covering the loss on disposal of part of the Spanish business. The impairment charge relates to Northern Europe following a review of the carrying value of these assets. This was required following reclassification to discontinued operations and planned disposal of our Belgian salads business and the weakening position in the German market. In due course significant profit on the French Spreads and Belgian salads disposals of approximately £225 million will be reported and a further provision will be charged to reflect the cost of the restructuring of the Marie business in France.

Pensions

The valuation of the group's pension schemes updated for accounting purposes under IAS19 at the half year has movements as shown in the table below.

Pension Schemes	31 March 2006 £m	Additional Contributions £m	Changes in investment returns £m	Changes in discount rates £m	Others £m	30 September 2006 £m
UK Main Pension Scheme	(97.4)	7.5	(12.0)	12.0	4.7	(85.2)
Other UK Pension Schemes	(4.4)	-	-	-	0.6	(3.8)
Overseas Pension Schemes	(23.3)	-	0.3	3.3	1.1	(18.6)
Gross deficit	(125.1)	7.5	(11.7)	15.3	6.4	(107.6)
Gross deferred tax	39.6					34.4
Net deficit	(85.5)					(73.2)

UK schemes The overall gross deficit of the group's main UK scheme decreased by £12.2 million on an IAS 19 basis. With investment performance and the impact of rising discount rates cancelling each other out, this reduction reflects the £7.5 million of special contribution paid into the fund in the period and a reduction in liabilities due to the recognition of experience variances to the valuation assumptions.

Overseas schemes The overall gross deficit of the overseas schemes reduced by £4.7 million primarily as a result of higher discount rates on the scheme in the Netherlands arising from an upward trend in the yield on long term Euro bonds.

GROUP INCOME STATEMENT

for the half year ended 30 September 2006

	2006 Unaudited			2005 Unaudited (restated)			Year Ended 31 March 2006 Audited (restated)
	Before significant items £m	Sig- nificant items (note 5) £m	Total £m	Before sig- nificant items £m	Significant items (note 5) £m	Total £m	£m
CONTINUING OPERATIONS							
Revenue (note 3)	352.0	-	352.0	344.8	-	344.8	706.8
Cost of sales	(292.5)	(1.7)	(294.2)	(285.6)	6.1	(279.5)	(578.0)
Gross profit	59.5	(1.7)	57.8	59.2	6.1	65.3	128.8
Distribution expenses	(22.6)	-	(22.6)	(24.0)	-	(24.0)	(59.1)
Marketing and media expenses	(6.7)	-	(6.7)	(5.8)	-	(5.8)	(11.8)
Administrative expenses	(38.6)	(28.6)	(67.2)	(41.6)	(6.9)	(48.5)	(95.3)
Other operating income	-	-	-	-	1.0	1.0	1.0
Operating loss before financing costs (note 3)	(8.4)	(30.3)	(38.7)	(12.2)	0.2	(12.0)	(36.4)
Finance income (note 4)	2.0	-	2.0	1.7	-	1.7	1.6
Other finance costs	(6.6)	-	(6.6)	(3.0)	-	(3.0)	(8.4)
Net pension finance income/(costs)	0.2	-	0.2	(1.1)	-	(1.1)	(2.1)
Total finance costs (note 4)	(6.4)	-	(6.4)	(4.1)	-	(4.1)	(10.5)
Loss before tax	(12.8)	(30.3)	(43.1)	(14.6)	0.2	(14.4)	(45.3)
Income tax credit (note 6)	4.7	-	4.7	2.1	0.9	3.0	7.0
Loss from continuing operations	(8.1)	(30.3)	(38.4)	(12.5)	1.1	(11.4)	(38.3)
DISCONTINUED OPERATIONS							
Profit from discontinued operations (net of tax)	9.1	(2.9)	6.2	9.4	0.7	10.1	12.7
Loss for the period	1.0	(33.2)	(32.2)	(3.1)	1.8	(1.3)	(25.6)
Earnings per ordinary share (note 7)							
Continuing operations			(33.9)p			(10.0)p	(33.8)p
Discontinued operations			5.5p			8.9p	11.2p
Basic and diluted			(28.4)p			(1.1)p	(22.6)p
Proposed dividend per share (note 8)			2.5p			2.5p	7.0p
Average Euro exchange rate			1.46			1.47	1.46

GROUP BALANCE SHEET

at 30 September 2006

	Note	2006 Unaudited £m	2005 Unaudited £m	31 March 2006 Audited £m
ASSETS				
Non-current assets				
Property, plant and equipment		184.7	183.6	195.3
Intangible assets		46.0	116.9	108.1
Deferred tax assets		41.7	49.5	46.3
		272.4	350.0	349.7
Current assets				
Inventories		47.6	49.8	52.3
Trade and other receivables		114.2	145.8	128.5
Cash and cash equivalents		10.3	15.9	22.3
Assets classified as held for sale		64.0	-	-
		236.1	211.5	203.1
Total assets		508.5	561.5	552.8
LIABILITIES				
Non-current liabilities				
Borrowings	14	123.6	81.5	-
Retirement benefit obligations	13	107.6	140.6	125.1
Derivative financial liabilities		0.7	2.1	1.4
Provisions		13.8	12.2	19.8
Other payables		-	2.3	-
Deferred tax liabilities		5.6	9.5	8.0
		251.3	248.2	154.3
Current liabilities				
Borrowings	14	-	8.4	96.8
Trade and other payables		166.5	189.2	198.8
Provisions		11.4	6.1	11.5
Income tax liabilities		12.7	17.1	16.3
Liabilities associated with assets classified as held for sale		28.4	-	-
		219.0	220.8	323.4
Total liabilities		470.3	469.0	477.7
Total assets less liabilities		38.2	92.5	75.1
EQUITY				
Shareholders' equity				
Total called up share capital	12	11.5	11.5	11.5
Share premium		0.1	0.1	0.1
Other reserves		(325.8)	(328.2)	(323.0)
Retained earnings		352.4	409.1	386.5
Total equity		38.2	92.5	75.1
Closing Euro exchange rate		1.48	1.47	1.43

GROUP CASH FLOW STATEMENT
for the half year ended 30 September 2006

			Year ended 31 March
	Note	2006 Un- audited	2005 Un- Audited (restated)
		£m	2006 Audited (restated) £m
CONTINUING OPERATIONS			
Cash flows from operating activities			
Loss before tax		(43.1)	(45.3)
Net finance costs		4.4	8.9
Depreciation and amortisation		9.8	19.8
Goodwill impairment		28.6	-
Net asset write-down and impairment		-	0.7
Charge for share-based payments		0.4	0.9
Profit on disposal of property, plant and equipment		-	(1.0)
Difference between pension charge and cash contributions		(8.4)	(16.4)
Increase in working capital		(11.5)	(4.1)
(Decrease)/increase in provisions		(6.4)	0.8
Cash utilised by operations		(26.2)	(35.7)
Financing costs paid	4	(11.3)	(5.7)
Interest received	4	1.2	1.3
Income tax (paid)/received		(0.1)	2.7
Net cash utilised by operating activities		(36.4)	(37.4)
Cash flows from investing activities			
Purchases of property, plant and equipment		(10.7)	(35.8)
Proceeds from sale of property, plant and equipment		-	11.9
Purchases of intangible assets		-	(1.9)
Net cash outflow from investing activities		(10.7)	(25.8)
Cash flows from financing activities			
Proceeds from borrowings		34.9	41.4
Equity dividends paid		(5.1)	(8.0)
Net cash inflow from financing activities		29.8	33.4
DISCONTINUED OPERATIONS			
Net cash from operating activities		7.1	20.0
Net cash from investing activities		(0.4)	5.6
Net cash from financing activities		-	-
Net cash from discontinued operations		6.7	25.6
Net decrease in cash and cash equivalents		(10.6)	(4.2)
Cash and cash equivalents at beginning of the period		19.6	24.2
Effect of foreign exchange rate changes		1.3	(0.4)
Cash and cash equivalents at end of the period		10.3	19.6
Cash and cash equivalents consist of:			
Cash at bank and in hand		10.3	22.3
Bank overdrafts		-	(2.7)
		10.3	19.6

**GROUP STATEMENT OF RECOGNISED INCOME
AND EXPENSE**

for the half year ended 30 September 2006

	2006	2005	Year ended
	Unaudited	Unaudited	31 March
	£m	£m	2006
			Audited
			£m
Actuarial gain/(loss) recognised on the pension schemes	7.7	(5.2)	2.8
Movement on deferred tax relating to pensions			
- on actuarial gain/(loss)	(2.6)	(0.3)	(0.9)
- on contributions paid	(2.3)	-	(3.9)
Period movement on hedging items	2.1	0.4	5.1
Exchange	4.9	(1.6)	(1.1)
Net income/(expense) recognised directly in equity	-	(6.7)	2.0
Loss for the period	(32.2)	(1.3)	(25.6)
Total recognised income and expense for the period	(32.2)	(8.0)	(23.6)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 September 2006

1 Basis of preparation

Uniq plc (the “company”) is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements (interim financial statements) of the company for the half year ended 30 September 2006 comprise of the company and its subsidiaries (together referred to as the “group”).

The audited consolidated financial statements of the group for the year ended 31 March 2006 are available upon request from the company’s registered office or at www.uniq.com.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial information included in this document is unaudited and does not include all of the information required for full annual financial statements. It should be read in conjunction with the consolidated financial statements of the group for the year ended 31 March 2006.

These interim financial statements were approved by the board of directors on 21 November 2006.

2 Accounting policies

The accounting policies applied by the group in these interim financial statements are the same as those applied by the group, in its consolidated financial statements, for the year ended 31 March 2006

3 Segmental analysis summary

	Revenue			Operating profit/(loss) before significant items, interest and tax			Operating profit/(loss) before interest and tax		
	2006 Un- audited £m	2005 Un- audited (Re- stated) £m	Year ended 31 March 2006 (Re- stated) £m	2006 Un- audited £m	2005 Un- audited (Re- stated) £m	Year ended 31 March 2006 (Re- stated) £m	2006 Un- audited £m	2005 Un- audited (Re- stated) £m	Year ended 31 March 2006 (Re- stated) £m
By Geographic Segment									
Continuing operations									
United Kingdom	167.9	160.6	321.8	(1.5)	(9.9)	(12.5)	(3.2)	(7.1)	(30.9)
Northern Europe	104.2	101.0	205.0	(2.8)	(1.5)	(4.2)	(31.4)	(3.8)	(8.5)
Southern Europe	79.9	83.2	180.0	(4.1)	(0.8)	4.5	(4.1)	(1.1)	3.0
Continuing operations	352.0	344.8	706.8	(8.4)	(12.2)	(12.2)	(38.7)	(12.0)	(36.4)
Discontinued operations	54.3	63.0	118.3	14.3	12.4	25.7	11.4	12.9	19.3
	406.3	407.8	825.1	5.9	0.2	13.5	(27.3)	0.9	(17.1)

As the group operates a central treasury function, finance costs cannot be meaningfully allocated to individual geographic segments and therefore segmental profit analysis is provided before finance costs. Central costs have not been allocated to discontinued operations and therefore comparatives have been restated accordingly.

Further details of the discontinued operations can be found in note 11.

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4 Net finance costs

	2006	2005	Year ended
	Unaudited	Unaudited	31 March 2006
	£m	(restated)	Audited
		(restated)	(restated)
		£m	£m
Interest receivable			
Bank balances	1.2	0.6	1.3
Net foreign exchange gains	0.8	0.8	-
Discount on long-term debtors	-	0.3	0.3
	2.0	1.7	1.6
Interest payable and similar charges			
Bank loans	(5.0)	(2.6)	(5.6)
Finance leases	-	-	(0.1)
Discount on long term provisions	(0.7)	(0.4)	(0.9)
Net foreign exchange losses	-	-	(1.7)
Amortisation of finance arrangement costs	(0.9)	-	(0.1)
	(6.6)	(3.0)	(8.4)
Net pension finance credit/(costs)	0.2	(1.1)	(2.1)
Net finance cost	(4.4)	(2.4)	(8.9)

The cashflow in relation to financing costs includes £6.3m of costs incurred in connection with arranging the banking facility during the period. £0.9m of this cost has been charged to finance costs during the period.

5 Significant items

	2006	2005	Year ended
	Unaudited	Unaudited	31 March 2006
	£m	(restated)	Audited
		(restated)	(restated)
		£m	£m
Continuing operations			
Goodwill impairment	(28.6)	-	-
Minsterley reorganisation costs	(1.7)	-	-
'Fit for purpose' programme	-	(3.4)	(17.8)
Wincanton contract	-	-	(12.0)
Group Supply Chain project	-	4.2	7.1
Property disposals	-	1.0	1.0
Other	-	(1.6)	(2.5)
	(30.3)	0.2	(24.2)
Tax credit on significant items	-	0.9	1.3
	(30.3)	1.1	(22.9)
Discontinued operations	(2.9)	0.7	(6.0)
	(33.2)	1.8	(28.9)

The reorganisation costs in the current period relate to restructuring of the operations at the Minsterley site. 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 Belgian salads which has been classified as 'held for sale' and disposed of on 20 November 2006. The loss on the discontinued operations relates to the disposal of Andros Food SA. Further detail is disclosed in note 9.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 September 2006

6 Income tax

The tax credit on the loss before significant items for continuing operations is £4.7m (2005: £2.1m) comprising; UK £1.4m credit (2005: £2.0m credit), Continental Europe £3.3m credit (2005: £0.1m credit). The credit represents the full year projected effective tax rate on current period losses of 35%. No tax arises on the sale of Andros Food S.A.

	2006	2005	Year ended 31 March 2006
	Unaudited	Unaudited (Restated)	Audited (Restated)
	£m	£m	£m
Tax on continuing operations:			
UK corporation tax			
- current	-	-	-
- prior	-	0.2	0.2
Overseas tax			
- current	1.8	(0.2)	(2.2)
- prior	0.2	-	2.8
Deferred tax			
- credit excluding temporary differences on pension costs	2.8	1.8	4.2
- credit for temporary differences on pension costs	(0.1)	0.3	0.7
	4.7	2.1	5.7
Tax on significant items	-	0.9	1.3
	4.7	3.0	7.0
Tax on discontinued operations	(5.2)	(2.8)	(6.6)
	(0.5)	0.2	0.4

7 Earnings per share

Basic and diluted earnings per share

Basic earnings per ordinary share is calculated on the basis of the weighted average of 113.5m (2005: 113.5m) ordinary shares in issue and a loss for the financial period of £32.2m (2005: £1.3m). There were no dilutive potential shares in the current financial period (2005: Nil).

Adjusted earnings per share on continuing operations

Adjusted earnings per share is shown by reference to loss before significant items and related tax and exchange gains and losses on non-permanent inter-company loans. It also excludes tax on prior year items. Adjusted earnings 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:

	2006	2005	Year ended 31 March 2006
	Unaudited	Unaudited (Restated)	Audited (Restated)
	£m	£m	£m
Loss for the period	(32.2)	(1.3)	(25.6)
Significant items	33.2	(0.7)	30.6
Exchange gains and losses on non-permanent inter-company loans	(1.2)	(2.9)	1.5
Loss before tax and significant items	(0.2)	(4.9)	6.5
Related tax	-	(1.1)	(1.7)
Exclude tax charge on prior year items	-	(0.2)	(5.0)
Loss before significant items and prior year tax items	(0.2)	(6.2)	(0.2)
Adjusted loss per ordinary share	(0.2)p	(5.5)p	(0.2)p

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the half year ended 30 September 2006

8 Dividends

The dividend charge against reserves in the first half is the 2006 final dividend of 4.5p per share.

At 30 September 2006, the 2006 interim dividend had not been approved by the board and as such was not included as a liability. The interim dividend of 2.5p per share is payable on 10 January 2007 to shareholders on the register at the close of business on 8 December 2006.

9 Business disposals

Following the fire at the group's Spanish business at its Madrid site in May 2005, the group disposed of that part of the business, Andros Food SA on the 9 August 2006, for €1. Included in the loss on sale of the discontinued operation of £2.9m is a payment of £0.6m that was made to assist the purchaser with its reorganisation of the business.

	2006 Unaudited £m
Loss on disposal comprises:	
Working capital	2.2
Disposal costs	<u>0.7</u>
Loss on disposal	<u>2.9</u>

10 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)
- Uniq Belgium NV (the Belgian salads 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. Efforts to sell the businesses have commenced and agreements to sell St Hubert SAS and Uniq Belgium NV have already been announced. The remaining disposal is expected to be finalised within the near future.

Details of the assets and liabilities of these businesses are given below:

	2006 Unaudited £m
Property, plant and equipment	7.7
Net working capital	0.1
Intangible assets	29.5
Other liabilities	<u>(1.7)</u>
	<u>35.6</u>

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11 Discontinued operations

During the period, the group reclassified the French Spreads, Belgian salads and remaining 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:

	2006	2005	Year ended 31 March 2006
	Unaudited	Unaudited (restated)	Audited (restated)
	£m	£m	£m
Results of discontinued operations			
Revenue	54.3	63.0	118.3
Expenses	(40.0)	(50.6)	(92.6)
Results from operating activities	14.3	12.4	25.7
Income tax expense	(5.2)	(3.0)	(7.0)
Profit after tax before significant items	9.1	9.4	18.7
Significant items	(2.9)	0.5	(6.4)
Tax on significant items	-	0.2	0.4
Profit for the period	6.2	10.1	12.7

12 Shareholders' equity

	Share capital	Share premium	Merger reserve	Hedging reserve	Trans- lation reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 31 March 2006	11.5	0.1	(330.2)	2.6	4.6	386.5	75.1
Loss for the period	-	-	-	-	-	(32.2)	(32.2)
Share-based compensation charge	-	-	-	-	-	0.4	0.4
Dividends	-	-	-	-	-	(5.1)	(5.1)
Gains and losses deferred in equity	-	-	-	2.1	-	-	2.1
Net actuarial gain on pension schemes (net of tax)	-	-	-	-	-	2.8	2.8
Exchange	-	-	-	-	(4.9)	-	(4.9)
At 30 September 2006	11.5	0.1	(330.2)	4.7	(0.3)	352.4	38.2

13 Retirement benefit obligations

	2006	2005	Year ended 31 March 2006
	Unaudited	Unaudited	Audited
	£m	£m	£m
Movement in liability in the period			
Balance at the beginning of the period	(125.1)	(141.9)	(141.9)
Transferred to held for sale	0.5	-	-
Current and past service costs	(2.3)	(2.7)	(4.9)
Gains on curtailments and settlements	-	-	1.0
Contributions	10.0	9.8	20.3
Net finance charge	0.2	(1.1)	(2.1)
Benefits paid	0.7	-	-
Actuarial gain/(loss)	7.7	(5.2)	2.8
Exchange adjustment	0.7	0.5	(0.3)
Balance at the end of the period	(107.6)	(140.6)	(125.1)

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for the half year ended 30 September 2006

14 Borrowings

Borrowings under the committed facility are classified as non-current as the facility has been agreed for the period until March 2008. However, a condition of the facility is that proceeds from the sale of St Hubert SAS will be used to repay the borrowings, at which time the facility expires. It is therefore expected that the borrowings will be repaid in January 2007. As no agreement had been entered into at 30 September 2006 for the sale of St Hubert SAS, classification as current was therefore not appropriate.

15 Proforma Balance Sheet

	Uniq plc prior to Disposal £m	Adjustment for St Hubert £m	Adjustment for Belgium £m	Proforma Continuing Group £m
Assets				
Property, plant and equipment	184.7	-	-	184.7
Intangible assets	46.0	-	-	46.0
Deferred tax assets	41.7	-	-	41.7
Total non-current assets	272.4	-	-	272.4
Inventories	47.6	-	-	47.6
Trade and other receivables	114.2	-	-	114.2
Cash and cash equivalents	10.3	28.2	37.8	76.3
Cash held in secure account for pension	-	85.2	-	85.2
Assets classified as held for sale	64.0	(22.1)	(40.5)	1.4
Total current assets	236.1	91.3	(2.7)	324.7
Total assets	508.5	91.3	(2.7)	597.1
Liabilities				
Borrowings	123.6	(123.6)	-	-
Derivative financial liabilities	0.7	-	-	0.7
Provisions	13.8	-	-	13.8
Retirement benefit obligations	107.6	-	-	107.6
Deferred tax liabilities	5.6	-	-	5.6
Total non-current liabilities	251.3	(123.6)	-	127.7
Borrowings	-	-	-	-
Trade and other payables	166.5	-	-	166.5
Provisions	11.4	-	-	11.4
Income tax liabilities	12.7	9.0	-	21.7
Liabilities associated with assets classified as held for sale	28.4	(18.4)	(9.2)	0.8
Total current liabilities	219.0	(9.4)	(9.2)	200.4
Total liabilities	470.3	(133.0)	(9.2)	328.1
Total net assets	38.2	224.3	6.5	269.0