

12 September 2007

**Uniq PLC
Interim Results**

**RECOVERY PROGRAMME PROGRESSING
RETURN TO SALES GROWTH**

Uniq, the European chilled convenience food group, today announces interim results for the six months to 30 June 2007. Highlights include:

- Total Group Revenues up 4.2% to £360.3m (2006: £345.8m)⁽¹⁾
 - UK sales up 5.5%
 - Northern Europe sales up 2.2%
 - French sales up 4.1%
- Sale of French spreads business completed
- Restructuring in France on track
- Significant operating improvements at Minsterley
- Reduced losses in Germany
- Reversal of four-year sales decline in branded frozen products in France
- Proposed Interim Dividend of 2.5p per share
- Strengthened balance sheet

Commenting on first half performance and on the outlook for the Group, Geoff Eaton, Chief Executive, Uniq plc said:

"I am pleased to report that we have continued to make satisfactory progress with our recovery programme and half year results are in line with our expectations.

"In the second half of 2007 we expect to deliver further efficiency improvements at Minsterley, the benefits of the restructuring in France, lower costs in Germany and improved margin management during the critical Christmas period."

Financial Highlights

	30.6.07	30.9.06⁽²⁾
	£m	£m
Revenue	360.3	352.0
Before significant items		
Operating loss	(6.6)	(8.4)
Loss before tax	(3.7)	(12.8)
Adjusted earnings per share ⁽³⁾	1.3p	(0.2)p
Significant items before tax ⁽⁴⁾	220.0	(33.2)
- continuing	(14.6)	(30.3)
- discontinued	234.6	(2.9)
After significant items		
Operating loss	(17.2)	(38.7)
Loss before tax	(18.3)	(43.1)
Profit/(loss) after discontinued operations and tax	209.9	(32.2)
Basic earnings per share	184.6p	(28.4)p

For further information:

Uniq plc

Geoff Eaton
Martin Beer

Chief Executive
Finance Director

+44 (0)1753 276011

The Hogarth Partnership

Julian Walker
James Longfield

+44 (0)20 7357 9477

- ¹ Where % changes on prior year are given they are for the comparable period last year on a constant currency basis.
- ² The period is not comparable due to the change of year end to 31 December. Unless otherwise stated, operating profit refers to operating profit before significant items. In order to assist shareholders, the group is providing quarterly financial information for the period and variances versus the same period last year for segmental revenue and operating results before significant items. For the purpose of comparison, both the 2007 and 2006 quarterly results have been translated at the average exchange rates ruling in the half year ended 30 June 2007.
- ³ Adjusted earnings per share exclude significant items, prior year tax credits and exchange gains and losses arising on non-permanent inter-company loans.
- ⁴ Significant items are those which, because of size or incidence, require separate disclosure to enable underlying trading performance to be assessed. They amount to £14.6 million loss before tax on continuing businesses (£10.6 million of which is charged to operating profit and £4.0 million to finance charges) and £234.6 million profit on discontinued businesses. These principally comprise additional restructuring costs in France and Northern Europe as disclosed in the 31 December 2006 report and accounts and a gain on disposal of St. Hubert SAS ('Spreads').

Report to shareholders and business review For the half year ended 30 June 2007

We are pleased to report that we have continued to make satisfactory progress in the first six months of the year, with results in line with our expectations. The changes we are making across the business to unlock the true potential of Uniq are enabling us to re-engage with our customers, develop more creative and innovative products, create a leaner and faster organisation and deliver profitable growth.

In the six months to 30 June 2007, we have increased sales by 4.2%, compared with a decline of 0.7% for the whole of last year. All three divisions have grown their sales in the first half, are improving their momentum and are starting to see an increasing number of business opportunities. At the group level, we have also delivered the promised transformation of the group's balance sheet through the successful sale of St.Hubert SAS ('Spreads').

The completion of the sale of Spreads on 16 January realised gross proceeds of £248m and a gain on sale of £235m before tax. This transformed the balance sheet by taking us from a position of high debt levels and a significant pension deficit at 31 December 2006, to the position at 30 June 2007 where we have both a positive cash balance to support the recovery and sufficient cash set aside in a secure account in favour of the main UK pension scheme that more than covers the IAS19 pension deficit at that date.

Our strong financial position will fund our improvements and the return to profitability of the continuing businesses. These businesses have annual sales of more than £700m, are in growing markets and are capable of sustaining satisfactory profit margins.

Having completed the corporate transactions, our management teams are focused on managing the pace of recovery of the continuing businesses and the opportunities for longer term growth. It is particularly pleasing that each division has delivered significant improvements in this period.

- In the UK, Minsterley reduced its loss for the half year from £7.1m in 2006 to £3.4m in 2007 and the second quarter loss from £3.1m in 2006 to £1.3m in 2007.
- Our business in Germany reduced operating losses in the first half of 2007 by £1.7m.
- In France, our Marie-branded frozen business reversed the 2006 22% sales decline and delivered growth of 4% in the first half of 2007.

The change of accounting year end will allow us to report to the market more swiftly the outcome of the important Christmas period. This year, however, the change has made it difficult to interpret the underlying trends because of the impact of year end adjustments in March 2006. To assist with the analysis and understanding of our results we are presenting quarterly information this year.

	2007			Variance		
	Q1 £m	Q2 £m	H1 £m	VQ1*	VQ2*	VH1*
Sales						
UK	79.2	88.4	167.6	3.9%	6.9%	5.5%
Northern Europe	49.2	51.9	101.1	6.5%	(1.6)%	2.2%
France	48.7	42.9	91.6	2.5%	6.1%	4.1%
Continuing operations	177.1	183.2	360.3	4.2%	4.2%	4.2%
Operating result	£m	£m	£m	£m	£m	£m
UK	(4.0)	1.1	(2.9)	(3.3)	2.0	(1.3)
Northern Europe	(1.0)	(0.6)	(1.6)	1.0	1.3	2.3
France	(0.7)	(1.4)	(2.1)	(5.0)	1.5	(3.5)
Continuing operations	(5.7)	(0.9)	(6.6)	(7.3)	4.8	(2.5)

*using constant exchange rates

Financial results summary

We are encouraged by the group's sales performance, where we have seen a return to growth after a flat year in 2006. Total group revenue for the 6 months to 30 June, at £360.3m, was up 4.2% on the first 6 months of last year. This, in the main, reflects the success of our management initiatives with growth coming through in all 3 divisions. While the operating loss from continuing businesses at £6.6m was £2.5m worse than last year, as we explain below the underlying trend of the business is more positive.

The first quarter of 2006 was favourably impacted by a number of material items which amounted to £4.1m : £1.2m of commercial incentive releases in France, £0.9m relating to the Wincanton distribution contract, £0.9m curtailment gain on unfunded pension obligations and £1.1m with respect to settlement of an insurance claim. In addition, the first quarter of 2007 includes an increased marketing spend in France of £1.8m.

After adjusting for these impacts the first quarter was slightly down on last year due to investment in cost to deliver future growth. The second quarter shows a year-on-year improvement of £4.8m.

UK

UK sales of £167.6m were 5.5% ahead of last year. This is consistent with the growth seen in the second half of 2006. The first quarter of this year was somewhat disappointing with sales slow to pick up after Christmas. However, the second quarter was more representative of the underlying improvement although the unseasonal weather patterns caused unexpectedly strong growth in April and lower growth during May and June. The operating loss of £2.9m was £1.3m greater than last year. This decline in margin is principally caused by the investment in the business units during the second half of 2006 as they equipped themselves to deliver future business improvement. The first quarter prior year comparative is also flattered by a credit adjustment of £0.9m for the Wincanton distribution contract. The results for the second quarter are more encouraging with the UK making a profit and being £2.0m ahead of the prior year.

- Evercreech/Paignton/Minsterley**

Our priority was to improve the performance of Minsterley, where the loss was significantly reduced. We remain confident that we will further improve on this in the second half and meet our target of a break-even run-rate by the year end. In Paignton we are managing a significant amount of change as the site undergoes a refurbishment programme, rationalises volume with Minsterley and launches a range of premium desserts for Waitrose out of a new flexible hand finishing facility. This has eroded profit in the first half. In addition, profitability of our co-packing business was adversely affected by a change in marketing mix. Evercreech is not yet delivering the growth in premium desserts it is capable of as it is still re-establishing its new product pipeline. Sales in our desserts businesses were down 1% year-on-year.
- Northampton**

Our sandwich and wraps business grew sales by 10% as a result of excellent service, quality and consistent success in new product development. This business has a strong track record of growth and has doubled in size over five years. We continue to help to build the established momentum of the Marks & Spencer 'Food To Go' business and have plans to access the growing potential in our airline catering business.
- Pinneys**

Sales from our fish business have returned to growth from last year's decline. The highly successful 'Cook!' range launched for Marks & Spencer in November 2006 has helped lift sales by 12%. This, together with the new management team's focus on improving efficiency and leaner manufacturing, is helping to improve profitability.
- Smedleys**

Our salads business sales increased by 30% as the business continued its recovery from a low base. The growth rate reduced significantly in May and June as a result of the unseasonal weather. We have grown sales both from the existing customer base and through winning new business, which has helped improve the operating result of the business unit. The management team are putting in place plans to further consolidate our position.

Northern Europe

Sales were up 2.2% on the prior year despite the adverse weather experienced in May and June, which turned the 6.5% growth in sales in the first quarter into a 1.6% decline in the second quarter. Our operating result for the half year showed a £2.3m improvement on the prior year, mostly arising in Germany.

- Germany**

Establishing good connections with our customers is of prime importance in the German market, which remains a particularly challenging one for a food producer. We are starting to see the benefits from the changes made to the management structure last year and, despite a very disappointing summer season, we have slowed the rate of decline in sales to 2% in the first half of the year compared with 6% for the whole of the previous year. This improving trend is also evident in the operating result, where losses were restricted to £2.9m which was £1.7m better than the same period last year. This has been achieved by close attention to the margin management and a tough approach to wage settlements and to cost control in general. The closure of Bremerhaven will take effect during the second half, following the transfer of its fish production to Poland.

- **Poland**
The appointment of a strong local management team, success in sales and marketing, new product launches on the back of the Lisner brand and improving private label relationships have dramatically increased local market growth rate, with sales up by 37%.
- **The Netherlands**
The Johma brand is holding its position in a relatively weak market, against strong competition from private label, with a 3% increase in sales this year even against the excellent summer last year. We have established a new Food Innovation Centre in Losser and we have a number of new initiatives in development on the back of this and our investments in flexible manufacturing.
- **Sandwiches**
The sandwich business lost a significant contract in the second quarter of 2006 which is the main factor behind the 15% decline in sales. Despite this we are encouraged by the performance of this business unit where we have strengthened the management team, reduced costs and are increasingly confident of winning new and profitable business through new product development. Good cost control and margin management have improved profitability despite the sales decline.

France

Growth from the continuing French business was most encouraging, with sales up 4% on the first half of last year. This compares with a sales decline of 7% during 2006 and is a result of the re-launch of the Marie brand and the focus of the new management team. The 2006 first half operating result was impacted by the old year end commercial incentive adjustments (booked in March 2006), which related to previous quarters and increased the operating profit figure by £1.2m.

In the first half of 2007 we have invested an additional £1.8m in media as planned to support the brand re-launch. Adjusting for these items there is only a slight deterioration in the operating result which reflects the transition stage of the business.

- **Frozen**
Sales of branded frozen products were 4% ahead of the same period in 2006. This reverses a four year decline in this business and is a result of the comprehensive re-launch of the brand, product range and the successful re-listing of products in all the major retailers.
- **Chilled**
The branded chilled business continues its strong performance with sales growth increasing to 13% in the first half of 2007, reflecting the success of the brand re-launch. Our increased media investment has supported this double-digit sales growth. Our chilled ready meals have performed particularly well in the period.
- **Food solutions**
Our food solutions business, which includes private label, hard discount, export and food service, has remained flat year-on-year as a result of the focus of attention on the branded side of the business.

Discontinued operations

Discontinued operations include the Spreads business until sale on the 16 January 2007 and Natural Food SA until sale on 7 June 2007.

Disposals

The sale of Spreads completed on 16 January, realising gross proceeds of £248.4m. After deducting costs and net assets as at disposal date, a gain of £234.7m was made before tax. A tax liability of £9m resulted from this disposal which is due to be paid in 2008.

The remaining Spanish business, Natural Food SA, was also sold in the period for £0.4m resulting in a small loss of £0.1m.

Significant items

Significant items totalled £213.1m. The gain on the disposal of Spreads was £234.7m and represented the net proceeds over net assets divested, less costs to sell. Also, within France, further restructuring costs were incurred in the period linked to creating the separate Marie business and the social plan that commenced at the end of the prior financial period. The total cost amounted to £3.1m.

The group announced its plans to close the fish production plant in Bremerhaven and move all fish processing for the German market to Poland and to move potato salad production from Germany into our Losser factory in the Netherlands. The cost of these actions (excluding asset write downs) is £5.0m, of which the majority will be a cash outflow in the second half. Asset write downs amount to £2.5m.

Financial position

The first half of 2007 has seen a dramatic transformation of the financial position of the group. At 31 December 2006 the group had borrowings of more than £90m and an IAS19 pension deficit in excess of £100m. The completion of the disposal of Spreads has eliminated group net debt entirely and allowed cash of £85.5m to be ring fenced for the benefit of the main UK pension scheme, leaving net cash of £45.4m available to fund the recovery of the remaining businesses.

Shareholders' funds of £279.5m at 30 June were significantly higher than at 31 December, principally due to the gain on the sale of Spreads and the impact of favourable corporate bond yields on the pension scheme.

Financing

On the disposal of Spreads our banking facility was repaid and replaced with an unsecured £40m working capital facility which expires in March 2010. As a result we wrote off £4.6m of the remaining bridging finance arrangement costs and we benefited by £0.6m from early settlement of an interest rate swap. These two items have together been treated as a £4.0m significant item. Excluding this significant item the group earned net interest of £2.5m during the period which is divided between £1.7m finance income on the cash secured for the benefit of the main UK pension fund and £0.8m finance income on the remaining available cash. This compares to net interest paid in the prior half year to 30 September 2006 of £3.8m. Other non-cash finance income amounts to £0.4m.

Pensions

The period saw significant change in the pension deficit because of the favourable market conditions and the impact of increasing corporate bond yields resulting in a reduction in the valuation of scheme liabilities. The IAS 19 deficit on the main UK scheme has moved from £84.5m at 31 December 2006 to £20.7m at 30 June 2007.

We continue negotiations with the trustee of the main UK scheme to agree an actuarial valuation as at 31 March 2006 and a recovery plan. As stated in our report and accounts for December 2006 it remains our aim in this process to provide secured cash for the scheme for the medium term and to pass it over when it is tax efficient to do so. To this end we have secured £85.5m for the main UK scheme and we continue to believe that, allowing for equity outperformance, this should materially satisfy the requirements of a recovery plan. We were unable to agree all aspects of scheme specific funding with the trustee before the pensions regulator's deadline of 30 June 2007 and the pension regulator has extended the timeframe.

The overseas schemes have also benefited from the change in bond yields and consequently the deficit has reduced on these schemes. In the Netherlands, we are still in negotiations with the Dutch industry-wide pension scheme on the final payment to be made which will transfer the remaining employees out of the Uniq scheme and thereby close the scheme.

Dividend

As a reflection of the continued progress of our recovery programme, the board is pleased to announce a maintained dividend of 2.5p per share payable on 12 November 2007 to shareholders on the register on the 12 October 2007. Future dividends payment dates will be in May and November, reflecting the new year end date.

Outlook

In the second half of 2007 we expect to see continued efficiency improvements at Minsterley, the benefits of the restructuring in France, lower costs in Germany and improved margin management during the critical Christmas period.

The poor summer weather has affected sales in the UK and Northern Europe which has reduced the year-to-date sales growth rate to 3.6% to the end of August. Additionally, in recent weeks there have been dramatic increases in some commodity prices across Europe, particularly in dairy, eggs and flour which make up circa 20% of our raw material costs.

However, we remain confident of delivering significant margin improvements in the second half, although the quantum of improvements will depend on the timing of recovery of the cost increases, which will vary in each market.

GROUP INCOME STATEMENT
for the half year ended 30 June 2007

	30 June 2007 Unaudited			30 September 2006 Unaudited		9 months ended 31 December 2006 Audited	
	Before significant items £m	Sig- nificant items (note 5) £m	Total £m	Before sig- nificant items £m	Significant items (note 5) £m	Total £m	Total £m
CONTINUING OPERATIONS							
Revenue (note 3)	360.3	-	360.3	352.0	-	352.0	541.2
Cost of sales	(296.1)	-	(296.1)	(292.5)	(1.7)	(294.2)	(451.3)
Gross profit	64.2	-	64.2	59.5	(1.7)	57.8	89.9
Distribution expenses	(22.9)	-	(22.9)	(22.6)	-	(22.6)	(34.7)
Marketing and media expenses	(9.5)	-	(9.5)	(6.7)	-	(6.7)	(11.1)
Administrative expenses	(38.4)	(10.6)	(49.0)	(38.6)	(28.6)	(67.2)	(96.2)
Other operating income	-	-	-	-	-	-	3.1
Operating loss before financing costs (note 3)	(6.6)	(10.6)	(17.2)	(8.4)	(30.3)	(38.7)	(49.0)
Finance income (note 4)	3.2	-	3.2	2.0	-	2.0	1.8
Other finance costs (note 4)	(1.2)	(4.0)	(5.2)	(6.6)	-	(6.6)	(11.7)
Net pension finance income (note 4)	0.9	-	0.9	0.2	-	0.2	0.4
Total finance costs	(0.3)	(4.0)	(4.3)	(6.4)	-	(6.4)	(11.3)
Loss before tax	(3.7)	(14.6)	(18.3)	(12.8)	(30.3)	(43.1)	(58.5)
Income tax credit (note 6)	0.1	2.1	2.2	4.7	-	4.7	8.2
Loss from continuing operations	(3.6)	(12.5)	(16.1)	(8.1)	(30.3)	(38.4)	(50.3)
DISCONTINUED OPERATIONS							
Profit from discontinued operations (net of tax) (note 10)	0.4	225.6	226.0	9.1	(2.9)	6.2	18.0
Profit/(Loss) for the period	(3.2)	213.1	209.9	1.0	(33.2)	(32.2)	(32.3)
Earnings per ordinary share (note 7)							
Basic							
Continuing operations	184.6p			(28.4)p		(28.4)p	
Discontinued operations	(14.2)p			(33.9)p		(44.2)p	
	198.8p			5.5p		15.8p	
Diluted							
Continuing operations	184.4p			(28.4)p		(28.4)p	
Discontinued operations	(14.2)p			(33.9)p		(44.2)p	
	198.6p			5.5p		15.8p	
Proposed dividend per share (note 8)	2.5p			2.5p		2.75p	
Average Euro exchange rate	1.48			1.46		1.47	

GROUP BALANCE SHEET

at 30 June 2007

	Note	30 June 2007 Unaudited £m	30 September 2006 Unaudited £m	31 December 2006 Audited £m
ASSETS				
Non-current assets				
Property, plant and equipment		178.0	184.7	184.8
Intangible assets		47.9	46.0	46.2
Restricted cash	11	85.5	-	-
Deferred tax assets		25.1	41.7	45.0
		336.5	272.4	276.0
Current assets				
Inventories		46.0	47.6	47.3
Trade and other receivables		117.1	114.2	123.7
Cash and cash equivalents		52.0	10.3	9.0
Assets classified as held for sale		-	64.0	22.7
		215.1	236.1	202.7
Total assets		551.6	508.5	478.7
LIABILITIES				
Current liabilities				
Borrowings		5.4	-	1.1
Trade and other payables		166.9	166.5	178.1
Provisions		11.9	11.4	18.4
Income tax liabilities		20.6	12.7	12.0
Liabilities associated with assets classified as held for sale		-	28.4	20.6
		204.8	219.0	230.2
Non-current liabilities				
Borrowings		1.2	123.6	91.3
Retirement benefit obligations	13	40.6	107.6	107.8
Derivative financial liabilities		-	0.7	1.0
Provisions		19.0	13.8	12.6
Deferred tax liabilities		6.5	5.6	6.4
		67.3	251.3	219.1
Total liabilities		272.1	470.3	449.3
Total assets less liabilities		279.5	38.2	29.4
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		(324.6)	(325.8)	(324.6)
Retained earnings		592.5	352.4	342.4
Total equity		279.5	38.2	29.4
Closing Euro exchange rate		1.48	1.48	1.48

GROUP CASH FLOW STATEMENT

for the half year ended 30 June 2007

	30 June 2007 Unaudited £m	30 September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
CONTINUING OPERATIONS			
Cash flows from operating activities			
Loss before tax	(18.3)	(43.1)	(58.5)
Net finance costs	1.1	4.4	9.5
Depreciation and amortisation	10.9	9.8	15.9
Goodwill impairment	-	28.6	28.6
Net asset write-downs	2.5	-	-
Charge for share-based payments	0.4	0.4	0.6
Curtailment gains on pensions	-	-	(3.1)
Difference between pension charge and cash contributions	(3.9)	(8.4)	(12.4)
Decrease/(increase) in working capital	0.3	(11.5)	(13.5)
Decrease in provisions	(0.7)	(6.4)	(2.0)
Cash utilised by operations	(7.7)	(26.2)	(34.9)
Interest paid	(1.1)	(11.3)	(14.1)
Interest received	1.3	1.2	1.8
Interest received on restricted cash	1.7	-	-
Income tax received/(paid)	2.2	(0.1)	0.7
Net cash utilised by operating activities	(3.6)	(36.4)	(46.5)
Cash flows from investing activities			
Purchases of property, plant and equipment	(9.9)	(10.7)	(15.5)
Proceeds from sale of property, plant and equipment	0.4	-	0.8
Purchases of intangible assets	-	-	(0.4)
Net cash outflow from investing activities	(9.5)	(10.7)	(15.1)
Cash flows from financing activities			
(Repayment of)/proceeds from borrowings	(95.8)	34.9	2.9
Cash paid into restricted cash	(85.5)	-	-
Equity dividends paid	(6.0)	(5.1)	(5.1)
Share options exercised	-	-	0.1
Net cash (outflow)/inflow from financing activities	(187.3)	29.8	(2.1)
DISCONTINUED OPERATIONS			
Net cash from operating activities	(3.6)	7.1	17.0
Net cash from investing activities	241.2	(0.4)	35.1
Net cash from discontinued operations	237.6	6.7	52.1
Net increase/(decrease) in cash and cash equivalents	37.2	(10.6)	(11.6)
Cash and cash equivalents at beginning of the period	9.0	19.6	19.6
Effect of foreign exchange rate changes	0.4	1.3	1.0
Cash and cash equivalents at end of the period	46.6	10.3	9.0
Cash and cash equivalents consist of:			
Cash at bank and in hand	52.0	10.3	9.0
Bank overdrafts	(5.4)	-	-
	46.6	10.3	9.0

**GROUP STATEMENT OF RECOGNISED INCOME
AND EXPENSE**

for the half year ended 30 June 2007

	30 June 2007 Unaudited £m	30 September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
Actuarial gain recognised on the pension schemes	62.4	7.7	0.1
Movement on deferred tax relating to pensions			
- on actuarial gain	(17.9)	(2.6)	(0.1)
- on contributions paid	(1.6)	(2.3)	(4.6)
Period movement on hedging items			
- amount recognised in equity during the period	(0.1)	2.1	(0.6)
- amount removed from equity and included in the income statement	-	-	(0.9)
Exchange	0.1	(4.9)	(0.1)
Net income/(expense) recognised directly in equity	42.9	-	(6.2)
Profit/(loss) for the period	209.9	(32.2)	(32.3)
Total recognised income and expense for the period	252.8	(32.2)	(38.5)

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

for the half year ended 30 June 2007

1 Basis of preparation

Uniq plc (the 'company') is a company domiciled in the United Kingdom. The condensed consolidated half year financial statements ('half year financial statements') of the company for the half year ended 30 June 2007 comprise the company and its subsidiaries (together referred to as the 'group').

The audited consolidated financial statements of the group for the 9 months ended 31 December 2006 are available upon request from the company's registered office or at www.uniq.com.

These half year 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 9 months ended 31 December 2007.

These half year financial statements were approved by the board of directors on 12 September 2007.

2 Accounting policies

The accounting policies applied by the group in these half year financial statements are the same as those applied by the group in its consolidated financial statements for the 9 months ended 31 December 2006.

3 Segmental analysis summary

	Revenue			Operating profit/(loss) before significant items, interest and tax			Operating profit/(loss) before interest and tax		
	30 June 2007 Un- audited £m	30 Sept 2006 Un- audited £m	31 Dec 2006 Audited £m	30 June 2007 Un- audited £m	30 Sept 2006 Un- audited £m	31 Dec 2006 Audited £m	30 June 2007 Un- audited £m	30 Sept 2006 Un- audited £m	31 Dec 2006 Audited £m
By Geographic Segment									
Continuing operations									
United Kingdom	167.6	167.9	258.0	(2.9)	(1.5)	(3.4)	(2.9)	(3.2)	(5.1)
Northern Europe	101.1	104.2	160.0	(1.6)	(2.8)	(3.6)	(9.1)	(31.4)	(29.1)
France	91.6	79.9	123.2	(2.1)	(4.1)	(5.4)	(5.2)	(4.1)	(14.8)
Continuing operations	360.3	352.0	541.2	(6.6)	(8.4)	(12.4)	(17.2)	(38.7)	(49.0)
Discontinued operations	2.5	54.3	78.4	0.6	14.3	21.1	235.2	11.4	25.2
	362.8	406.3	619.6	(6.0)	5.9	8.7	218.0	(27.3)	(23.8)

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.

Further details of the discontinued operations can be found in note 10.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS
for the half year ended 30 June 2007

4 Net finance costs

	30 June 2007 Unaudited £m	30 September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
Finance income			
Interest receivable on bank balances	1.3	1.2	1.8
Net foreign exchange gains	0.2	0.8	-
Interest receivable on restricted cash	1.7	-	-
	3.2	2.0	1.8
Finance costs			
Interest payable on bank loans	(0.5)	(5.0)	(7.7)
Finance leases	(0.1)	-	(0.1)
Discount on long term provisions	(0.6)	(0.7)	(1.0)
Net foreign exchange losses	-	-	(1.1)
Amortisation of finance arrangement costs	-	(0.9)	(1.8)
	(1.2)	(6.6)	(11.7)
Net pension finance costs	0.9	0.2	0.4
Significant finance costs	(4.0)	-	-
Net finance costs	(1.1)	(4.4)	(9.5)

5 Significant items

	30 June 2007 Unaudited £m	30 September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
Continuing operations			
Northern Europe restructuring	(7.5)	-	-
French restructuring	(3.1)	-	(9.4)
Goodwill impairment	-	(28.6)	(28.6)
Minsterley reorganisation costs	-	(1.7)	(1.7)
Pension curtailment gain	-	-	3.1
	(10.6)	(30.3)	(36.6)
Significant finance costs	(4.0)	-	-
	(14.6)	(30.3)	(36.6)
Tax credit on significant items	2.1	-	2.3
	(12.5)	(30.3)	(34.3)
Discontinued operations (net of tax)	225.6	(2.9)	4.1
	213.1	(33.2)	(30.2)

Northern Europe restructuring

A restructuring programme was announced on 3 January 2007 to address the underperformance of the group's German operations. As part of the restructuring programme the factory in Bremerhaven will close and fish processing will transfer to Poznan in Poland. The production of potato products will also move from Germany to the Netherlands factory at Losser. The costs incurred include redundancy and associated costs as well as £2.5m relating to the write-down of the assets at Bremerhaven.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

for the half year ended 30 June 2007

French restructuring

During the period the group committed to further costs in respect of the reorganisation of the Marie Convenience business, subsequent to the separation from the divested St Hubert business. This followed the initial plans regarding the social plan that had been announced and provided in 2006.

Finance costs

The finance costs represent the write-off of £4.6m of the remaining bridging finance arrangement costs and £0.6m profit on the early settlement of an interest rate swap.

Discontinued operations

This comprises a gain on the sale of St Hubert SAS which completed on 16 January 2007 and the loss on the sale of Natural Food SA on 7 June 2007. Further details on the gain and loss are disclosed in note 9.

6 Income tax

The tax credit on the loss before significant items for continuing operations is £0.1m (30 September 2006 : £4.7m). The credit represents the full year projected tax rate of 29% on pre-tax losses less prior year items.

	30 June 2007 Unaudited £m	30 September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
Tax on continuing operations			
UK corporation tax	-	-	-
Overseas tax	-	1.8	2.3
Deferred tax			
- credit for temporary differences			
on pension costs	(0.2)	(0.1)	(0.1)
- other timing differences	1.4	3.0	3.2
Prior year items	(1.1)	-	0.5
	<u>0.1</u>	<u>4.7</u>	<u>5.9</u>
Tax on significant items	<u>2.1</u>	<u>-</u>	<u>2.3</u>
	<u>2.2</u>	<u>4.7</u>	<u>8.2</u>
Tax on discontinued operations	<u>(9.2)</u>	<u>(5.2)</u>	<u>(7.2)</u>
	<u>(7.0)</u>	<u>(0.5)</u>	<u>1.0</u>

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 113.7m (30 September 2006 : 113.5m) ordinary shares in issue and a gain for the financial period of £209.9m (30 September 2006 : loss of £32.2m). The diluted earnings per ordinary share is calculated on 113.8m (30 September 2006 : 113.5m) shares.

Adjusted earnings per share

Adjusted earnings per share is calculated on loss before significant items and related tax which is adjusted by tax on prior year items and exchange gains and losses on non-permanent inter-company loans. 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:

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

for the half year ended 30 June 2007

	30 June 2007 Unaudited £m	September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
Adjusted EPS on total group			
Profit/(loss) for the period	209.9	(32.2)	(32.3)
Significant items on continuing operations	14.6	30.3	36.6
Significant items on discontinued operations	(234.6)	2.9	(4.1)
Exchange gains and losses on non-permanent inter-company loans	3.6	(1.2)	1.2
(Loss)/profit before tax and significant items	(6.5)	(0.2)	1.4
Related tax	6.9	-	(2.3)
Exclude tax on prior year items	1.1	-	(0.5)
Adjusted profit/(loss)	1.5	(0.2)	(1.4)
Basic and diluted adjusted earnings per ordinary share	1.3p	(0.2)p	(1.2)p

8 Dividends

The dividend charge against reserves in the first half is the final dividend for the 9 months ended 31 December 2006 of 2.75p per share.

At 30 June 2007 the 2007 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 12 November 2007 to shareholders on the register at the close of business on 12 October 2007.

9 Business disposals

During the period the group disposed of two businesses, St Hubert SAS and Natural Food SA. The sale of St Hubert SAS to Dairy Crest PLC completed on 16 January 2007 for a gross consideration of £248.4m.

	30 June 2007 Unaudited		
	St Hubert SAS £m	Natural Food SA £m	Total £m
Property, plant and equipment	4.9	0.3	5.2
Working capital	1.0	0.1	1.1
Provisions	(0.7)	-	(0.7)
Tax	1.0	-	1.0
Net assets disposed	6.2	0.4	6.6
Gross cash consideration received	248.4	0.4	248.8
Disposal costs	(7.5)	(0.1)	(7.6)
	240.9	0.3	241.2
Gain/(loss) on disposal	234.7	(0.1)	234.6

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

for the half year ended 30 June 2007

10 Discontinued operations

Profits attributable to the discontinued operations were as follows:

	30 June 2007 Unaudited £m	September 2006 Unaudited £m	9 months ended 31 December 2006 Audited £m
Revenue	2.5	54.3	78.4
Expenses	(1.9)	(40.0)	(57.3)
Results from operating activities	0.6	14.3	21.1
Income tax expense	(0.2)	(5.2)	(7.2)
Profit after tax before significant items	0.4	9.1	13.9
Significant items	234.6	(2.9)	4.1
Tax on significant items	(9.0)	-	-
Profit for the period	226.0	6.2	18.0

11 Restricted cash

An amount of cash equal to the UK main fund's net IAS19 pension deficit as at 31 December 2006 was placed into a secure account in favour of the UK pension fund. Interest earned on this balance is credited to this account. This arrangement was cleared with the Pensions Regulator.

12 Shareholders' equity

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Trans- lation reserve £m	Retained earnings £m	Total £m
At 31 December 2006	11.5	0.1	(330.2)	1.1	4.5	342.4	29.4
Profit for the period	-	-	-	-	-	209.9	209.9
Share-based compensation charge	-	-	-	-	-	0.4	0.4
Dividends	-	-	-	-	-	(3.1)	(3.1)
Gains and losses deferred in equity	-	-	-	(0.1)	-	-	(0.1)
Net actuarial gain on pension schemes (net of tax)	-	-	-	-	-	42.9	42.9
Exchange	-	-	-	-	0.1	-	0.1
At 30 June 2007	11.5	0.1	(330.2)	1.0	4.6	592.5	279.5

13 Retirement benefit obligations

	30 June 2007 Unaudited £m	September 2006 Unaudited £m	31 December 2006 Audited £m
Movement in liability in the period			
Balance at the beginning of the period	(107.8)	(125.1)	(125.1)
Current and past service costs	(1.7)	(2.3)	(3.0)
Gains on curtailments and settlements	-	-	3.1
Contributions	5.6	10.0	14.0
Net finance charge	0.9	0.2	0.4
Benefits paid	-	0.7	1.2
Actuarial gain	62.4	7.7	0.1
Transferred to held for sale	-	0.5	0.5
Exchange	-	0.7	1.0
Balance at the end of the period	(40.6)	(107.6)	(107.8)