

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

If you sell or transfer, or have sold or transferred, all of your Ordinary Shares, please forward this document, with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

PREMIER FOODS PLC

(Incorporated and registered in England and Wales with registered number 05160050)

Proposed disposal of the Sweet Pickles and Table Sauces Business and Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Premier Foods plc, which is set out in Part I (Letter from the Chairman of Premier Foods plc) of this document. The letter contains the recommendation of your Board to vote in favour of the Disposal Resolution to be proposed at the General Meeting referred to below.

A Notice convening a General Meeting of the Company to be held at the Company's offices, Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE on 18 December 2012 at 9.00 a.m. is set out at the end of this document. A Form of Proxy for use at the General Meeting is also enclosed with this document. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Registrar no later than 9.00 a.m. on 14 December 2012, being 48 hours (excluding non-working days) before the time appointed for the holding of the General Meeting. Forms of Proxy received after this time will be invalid.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction, in accordance with the procedures set out in the CREST Manual, so that it is received by the Registrar (under CREST participant RA19) by no later than 9.00 a.m. on 14 December 2012. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Shareholders may also register the appointment of a proxy electronically by logging on to www.sharevote.co.uk, so that the appointment is received by the Registrar by no later than 9.00 a.m. on 14 December 2012.

Completion and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction or appointing a proxy electronically will not prevent you from attending and voting in person at the General Meeting, if you wish to do so.

Your attention is drawn to the Section headed "Risk Factors" set out in Part II (Risk Factors) of this document indicating the various factors that should be considered by Shareholders when considering what action to take in connection with the General Meeting.

A summary of the action to be taken by Shareholders is set out on page 12 of this document and in the accompanying Notice of General Meeting.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Credit Suisse, which is authorised and regulated by the Financial Services Authority, is acting as sole sponsor to Premier Foods plc and for no one else in connection with the Disposal and will not regard any other person (whether or not a recipient of this document), as a client in relation to the Disposal and will not be responsible to anyone other than Premier Foods plc for providing the protections afforded to customers of Credit Suisse or for affording advice in relation to the Disposal, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Credit Suisse by the Financial Services and Markets Act 2000 or any other laws, Credit Suisse does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Credit Suisse in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Disposal. To the fullest extent permissible Credit Suisse accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Capitalised terms have the meaning ascribed to them in Part VIII (Definitions) of this document.

All Shareholders on the register of members of Premier Foods plc at the close of business on 29 November 2012 have been sent this document.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements which are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to, factors that are beyond the Company's ability to control or estimate precisely, such as delays in obtaining, or adverse conditions contained in, regulatory approvals, competition and industry restructuring, changes in economic conditions, currency fluctuations, changes in interest and tax rates, changes in historical weather patterns, changes in competitive circumstances, changes in customer or supplier behaviour, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, the availability of new acquisition opportunities or the key timing and success of future acquisition opportunities. Each forward-looking statement speaks only as of the date of the particular statement. Except to the extent required by applicable law, the Listing Rules and the Disclosure Rules, the Company will not necessarily update any forward-looking statement in the light of new information or future events and undertakes no duty to do so.

CORPORATE DETAILS AND ADVISERS

Registered Office	Premier House Centrium Business Park Griffiths Way St. Albans Hertfordshire AL1 2RE
Company Secretary	Andrew McDonald
Sponsor	Credit Suisse Securities (Europe) Limited One Cabot Square London E14 4QJ
Legal Adviser to the Company	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
Legal Adviser to the Sponsor	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2HS
Auditor and Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Communications	The Maitland Consultancy Limited Orion House 5 Upper St. Martin's Lane London WC2H 9EA
Registrar	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Disposal	30 October 2012
Latest time and date for receipt of Forms of Proxy for the General Meeting	9.00 a.m on 14 December 2012
General Meeting	9.00 a.m. on 18 December 2012
Expected date of Completion	2 February 2013

Notes:

Future dates are indicative only and are subject to change by the Company, in which event details of the new times and dates will be notified to the Financial Services Authority and, where appropriate, Shareholders.

References to times in this document are to London time.

PART I

LETTER FROM THE CHAIRMAN OF PREMIER FOODS PLC



PREMIER FOODS PLC

(Incorporated and registered in England and Wales with registered number 05160050)

Directors:

David Beever	<i>(Non-executive Chairman)</i>
Michael Clarke	<i>(Chief Executive Officer)</i>
Mark Moran	<i>(Chief Financial Officer)</i>
Geoff Eaton	<i>(Chief Operating Officer)</i>
Ian Krieger	<i>(Non-executive Director)</i>
Jennifer Laing	<i>(Non-executive Director)</i>
Ian McHoul	<i>(Senior Independent Non-executive Director)</i>
Charles Miller Smith	<i>(Non-executive Director)</i>
David Wild	<i>(Non-executive Director)</i>

Registered Office:

Premier House
Centrium Business Park
Griffiths Way
St. Albans
Hertfordshire
AL1 2RE

30 November 2012

Dear Shareholder,

Proposed disposal of the Sweet Pickles and Table Sauces Business and Notice of General Meeting

1. INTRODUCTION

On 30 October 2012, the Company announced that it had entered into a conditional agreement with the Mizkan Group (*Mizkan*), acting through one of its UK subsidiaries Nakano UK Vinegar Limited (*Nakano*), to sell its Sweet Pickles and Table Sauces Business (the *Business*) located in Bury St. Edmunds, Suffolk, (the *Bury St. Edmunds Site*) for an aggregate consideration of £92.5 million. The consideration is payable in cash on Completion and is subject to adjustments in respect of stock. The principal terms of the Disposal Agreement, including details of the adjustments for stock, are set out in Part III (Principal Terms of the Disposal) of this document. Mizkan had previously, in July 2012, acquired the Company's Vinegar and Sour Pickles Business, part of which is located at the Bury St. Edmunds Site.

The Disposal is of sufficient size relative to that of the Group to constitute a Class 1 transaction for the purposes of the Listing Rules and is, therefore, conditional upon the approval of Shareholders. All consents required from lenders under the Group's finance facilities to permit the Disposal were received on 26 November 2012.

The quantum of the proceeds of the Disposal, when aggregated with the amounts raised from other disposals already made by the Company (as further described below), means that the Company will have achieved the targeted aggregate proceeds from certain disposals of £300 million that it is required to achieve by 31 March 2014 and £330 million, in aggregate, (the *Aggregate Proceeds*) that it is required to achieve by 30 June 2014 under the terms of the refinancing arrangements agreed in March 2012. If Shareholders do not approve the Disposal, the Company would seek to realise sufficient proceeds from the disposal of other assets.

Your approval of the Disposal is being sought at a General Meeting of the Company to be held at the Company's offices, Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE on 18 December 2012 at 9.00 a.m. A notice of the General Meeting and of the Disposal Resolution to

be considered at the General Meeting is set out at the end of this document. A summary of the action you should take is set out in Section 10 of this letter and on the Form of Proxy that accompanies this document.

The purpose of this document is: (i) to provide you with information on the Disposal; (ii) to explain the background to and reasons for the Disposal and why the Board believes the Disposal is in the best interests of Premier Foods and its Shareholders as a whole; and (iii) to recommend that you vote in favour of the Disposal Resolution at the General Meeting.

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

2. SUMMARY INFORMATION ON THE BUSINESS

The Business is engaged in the manufacturing, marketing, sale and distribution of a wide range of branded and Non Branded food enhancers, including sweet pickles, relishes and table sauces, mayonnaise and salad cream products. The Business currently forms part of the Group's grocery division. The Business competes in the UK sweet pickles, relish and table sauces market, and is the market leader in sweet pickles products operating under the *Branston*, *Rothwells* and *Waistline* brands.

The Business is based at the Bury St. Edmunds Site, which will transfer as part of the Disposal. All of the products are manufactured on site apart from the bought-in *Branston* branded salad cream and mayonnaise products which are produced by a third party supplier.

The Company currently produces at the Bury St. Edmunds Site certain products under the *Sharwood's*, *Loyd Grossman* and *Homepride* brands which will not be sold as part of the Disposal but which will continue to be produced at the site by the Purchaser on behalf of the Company.

Sweet pickles

Branston pickle holds the number one position in the UK sweet pickles market. The majority of the sweet pickle business produced at Bury St. Edmunds is branded under the *Branston* brand, however, certain Non Branded products are also manufactured for retail customers.

Table sauces, Relishes, Salad Cream and Mayonnaise

In addition to the core sweet pickles business, the Bury St. Edmunds Site also manufactures table sauces and relishes. Table sauce production is predominantly Non Branded, but also includes *Branston* tomato ketchup and brown sauce branded products and a small amount of *Rothwell's* table sauces for the foodservice market. *Branston* holds the number one category position in relishes. Salad cream and mayonnaise products hold small positions in their respective categories and are supplied by a third party manufacturer.

Trading results

The table below summarises the financial performance of the Business (on an IFRS basis) for the three years ended 31 December 2011 and the six months ended 30 June 2012.

	<i>Year ended 31 December 2009 £ million</i>	<i>Year ended 31 December 2010 £ million</i>	<i>Year ended 31 December 2011 £ million</i>	<i>Six months ended 30 June 2012 £ million</i>
Turnover	72.3	72.9	66.0	26.0
Operating profit	3.9	12.3	8.1	1.2
EBITDA	7.2	15.6	11.7	3.1
Profit on ordinary activities before taxation	3.9	12.3	8.1	1.2

Notes:

The income statement information presented above is before the allocation of central Group and corporate costs, as it is not possible to provide a meaningful allocation of these costs and all central group and corporate costs will remain with the Continuing Group (the Group does not allocate costs at a divisional level).

EBITDA is profit before interest, tax, depreciation and amortisation.

The income statement data provided above is unaudited.

For the six months ended 30 June 2012, the Business had an operating profit of £1.2 million and gross assets of £50.7 million.

The financial information in this Section 2 has been extracted without material adjustment from the financial information contained in Part IV (Financial Information on the Business) of this document.

Please refer to Part IV (Financial Information on the Business) of this document for further historical financial information on the Business.

3. BACKGROUND TO AND REASONS FOR THE DISPOSAL

The Disposal represents another significant step in the Group's strategy to prioritise investment in its Power Brands and to divest selected non-core businesses. The proceeds of the Disposal will be used to reduce the net indebtedness of the Group and will allow the Company to meet its targeted aggregate proceeds from certain disposals equal to the Aggregate Proceeds that the Group is required to achieve by each of 31 March and 30 June 2014 under the terms of the refinancing arrangements agreed in March 2012. In July 2012, the Group completed the disposal of its Vinegar and Sour Pickles Business, also to Mizkan, and the disposal of its Elephant Atta ethnic flour business to ABF Grain Products Limited. In addition, in October 2012 the Company completed the sale of its Sweet Spreads and Jellies Business to the Hain Celestial Group Inc. for an aggregate consideration of £202 million, comprised of £170 million in cash and £32 million from the sale of shares in Hain Celestial Group Inc. Aggregating the proceeds of these disposals, together with the cash proceeds from the Disposal, means that the Company would generate proceeds of approximately £370 million, which would fulfil the Aggregate Proceeds requirement.

4. INFORMATION ON THE CONTINUING GROUP

Premier Foods is one of Britain's biggest branded food producers with revenue of £2 billion in 2011. The Group manufactures, distributes and sells a wide range of branded and non-branded foods. Premier Foods employs more than 9,000 people and operates from over 40 sites across the UK and Ireland. The Group has a wide portfolio of British brands, many of which are market leaders. The Group's business is focused on eight Power Brands: *Ambrosia*, *Batchelors*, *Bisto*, *Hovis*, *Loyd Grossman*, *Mr. Kipling*, *OXO* and *Sharwood's*. In addition, the Group has a portfolio of many other British food brands and also an extensive Non Branded food business which manufactures food in partnership with many of the UK's leading food retailers.

The Group comprises the Grocery and Bread divisions.

Grocery

The Grocery division encompasses a variety of ambient grocery categories including ambient desserts, cakes, soups, stocks, gravies, home baking, cooking sauces, Asian meal solutions and beverages. Key brands retained in the Grocery division following the Disposal will be *Ambrosia* desserts, *Batchelors* instant soups, noodles and pasta meals, *Bisto* gravy, *Loyd Grossman* cooking sauces, *Mr. Kipling* cake, *OXO* stock and *Sharwood's* Asian meal solutions. Other well-known brands in the Grocery division include *Cadbury* cake, *Paxo* stuffing, *Saxa* salt, *McDougalls* baking products, *Atora* suet, *Lyons* cakes, *Homepride* cooking sauces, *Bird's* custard, *Smash* instant mashed potato, *Marvel* powdered milk creamer and *Angel Delight* instant desserts.

Bread

The Bread division operates principally in the wrapped bread market supplying *Hovis*, *Granary* and *Mother's Pride*, and Non Branded wrapped bread. In addition, it manufactures branded and Non Branded morning goods, such as muffins and crumpets. The division is also the largest vertically integrated baker and flour miller in the UK, and produces a wide range of bulk flours and branded and Non Branded bagged flours. Key brands in the Bread division are *Hovis*, *Granary* and *Mother's Pride*. The Bread division also includes *Charnwood Foods*, a frozen pizza base business. *Hovis* is the largest brand by sales value across all of the Group's divisions.

Strategy of the Continuing Group

The Group has four stated strategic priorities to help stabilise the business, namely to:

- Invest behind its eight Power Brands.
- Strengthen its capabilities, particularly in sales and marketing where new leadership is now in place.
- Divest selected businesses to sharpen focus.
- Right-size and reduce the Group's cost base, with regard to which the Group has announced its intention to achieve £40 million in cost savings by the end of 2012, and a further £20 million of cost savings in 2013.

The Group's growth strategy is based on the following four pillars:

- **Brands** – The Group is investing behind its eight Power Brands of *Ambrosia*, *Batchelors*, *Bisto*, *Hovis*, *Loyd Grossman*, *Mr. Kipling*, *OXO* and *Sharwood's*. Detailed brand plans have been developed that leverage the “Britishness” of these brands as well as step-up innovation in product design, packaging and promotions, particularly to capture opportunities in the growing convenient meals and snacking segments. Marketing spend behind these brands has increased significantly in 2012 with further sustained increases in marketing investment planned for future years.
- **Partners** – The Group is building more collaborative relationships with all of its business partners. Specifically, the Group is developing joint business plans with key customers to drive category growth. The Group also plans to develop specific pricing and promotional strategies for the fast growing discounted and wholesale segment as well as improve revenue growth management through optimising its trade investment, systems and processes.
- **Focus** – Through improving focus, the Group is driving further efficiency and effectiveness. The Group's supply chain will continue to target year-on-year gross savings of around 4 per cent. of manufacturing controllable costs, and capital expenditure will be focused on supporting growth and productivity programmes. The plans to simplify the business and drive further efficiency and effectiveness are proceeding ahead of schedule and the Group aims to deliver the previously announced £40 million savings by the end of 2012. The expected costs to achieve the delivery of the savings programme are unchanged at approximately £21 million. Following recent divestitures the Group aims to deliver a further £20 million in overhead cost reductions in 2013. The Company has also announced plans to simplify its manufacturing and distribution operations to improve efficiency, quality and service levels in its Bread business.
- **Sustainability** – The Group intends to take a longer-term approach to the business by ensuring it acts sustainably in everything it does. The Group intends to continue to invest in its brands, people and partnerships, driving high environmental and ethical standards and expanding better-for-you choices as part of its portfolio. Together, this will help the Group to deliver sustainable results.

5. INFORMATION ON THE PURCHASER

The Mizkan Group is a major worldwide producer of food enhancers, supplying vinegar and seasoning products to leading food retailers and food service operators in Europe, North America, Japan and the Asia Pacific region.

For the year ended 29 February 2012, the Mizkan Group had revenues of approximately £1.25 billion (¥160.1 billion).

6. PRINCIPAL TERMS OF THE DISPOSAL

- 6.1 The Business will be sold to the Purchaser for a total consideration, payable in cash on Completion, of £92.5 million, subject to adjustment to take account of the difference between actual stock at Completion and the average stock set out in the Disposal Agreement.

- 6.2 The Disposal will be effected by way of a sale of the business and assets of the Business including the sale or licence of associated intellectual property rights including:
- (a) the freehold property at the Bury St. Edmunds Site (together with all fixtures and fittings, fixed equipment and certain logistics assets);
 - (b) the brand names *Branston*, *Rothwells* and *Waistline* and the intellectual property rights in the products currently sold by the Seller under these brand names;
 - (c) the moveable equipment, IT systems, stock, business records and third party rights relating to the Business; and
 - (d) the benefit of the contracts relating to the business (including customer contracts, supply contracts, finance agreements, licences and intellectual property agreements) as either listed in the Disposal Agreement or which meet certain eligibility criteria,
- save for the excluded assets as set out in Section 2 of Part III (Principal Terms of the Disposal) of this document.
- 6.3 The Disposal is conditional upon obtaining certain consents required from lenders under the Group's finance facilities (which were received on 26 November 2012) and the passing of the Disposal Resolution by Shareholders at the General Meeting.
- 6.4 The Disposal excludes the back office services produced by employees based at the Seller's head office which includes sales and marketing, procurement, customer support, HR/payroll, IT and infrastructure support and finance services. Such services will however continue to be supplied to the Business by the Seller's head office under a transitional services agreement for up to one year following closing against payment by the Purchaser of certain of the Seller's costs.
- 6.5 The Disposal includes a co-packaging agreement pursuant to which the Purchaser will continue to manufacture certain cooking sauces and other products at the Bury St. Edmunds Site on behalf of the Seller for a period of 15 years.
- 6.6 The principal terms of the Disposal Agreement are set out in more detail in Part III (Principal Terms of the Disposal) of this document.

7. USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL ON THE CONTINUING GROUP

Refinancing package

Pursuant to the terms of the Group's refinancing agreed in March 2012, the Group is required to realise proceeds from certain planned disposals equal to the Aggregate Proceeds of £330 million by 30 June 2014 (as further described in Section 7.1 of Part VII (Additional Information)). The Bank Facilities Agreement further stipulates that £264 million of the Aggregate Proceeds is required to be realised by 31 December 2013 and that £300 million of the Aggregate Proceeds is required to be realised by 31 March 2014. The proceeds from the Disposal will, when aggregated with the proceeds from the disposals already made, allow the Company to meet these requirements.

Proceeds of the Disposal

The gross cash proceeds of the Disposal will be at least £92.5 million subject to an adjustment for a normalised level of stock at Closing. These gross proceeds will be applied to reduce Group net debt. The net proceeds of the Disposal are expected to be £91.4 million after deducting expenses.

In July 2012 the Group completed the disposal of its Vinegar and Sour Pickles Business to Mizkan and the disposal of its Elephant Atta ethnic flour business to ABF Grain Products Limited. In addition, in October 2012 the Company completed the sale of its Sweet Spreads and Jellies Business to the Hain Celestial Group Inc. for an aggregate consideration of £202 million, comprised of £170 million in cash and £32 million from the sale of shares in Hain Celestial Group Inc. Aggregating the proceeds of these disposals means that the

Company has generated proceeds of at least £275 million, which fulfils the first disposal threshold of £264 million. The cash proceeds from the Disposal, when aggregated with the earlier Planned Disposals means that the Company would have generated proceeds of approximately £370 million, which would fulfil both the second disposal threshold of £300 million and the Aggregate Proceeds requirement of £330 million.

Expected impact of the Disposal on earnings

The Disposal is expected to be initially dilutive to earnings. This statement does not constitute a profit forecast and should not be interpreted to mean that the Continuing Group's earnings per share for 2012 will necessarily match, or be greater or less than, historical published earnings per share.

The Group has announced its intention to achieve £40 million in cost savings by the end of 2012 and on 23 October 2012, announced further cost savings of £20 million to be achieved in 2013. Of these cost savings, approximately £1 million of cost savings, with approximately £0.2 million of initial costs to achieve those cost savings, are related to and contingent upon the Disposal, and are expected to be realised by the end of 2013, and on an annual recurring basis, through headcount reductions within central and head office functions. The £1 million cost savings would not be achieved without the Disposal. This £1 million of cost savings reflects both the beneficial elements and the relevant costs.

The estimated net borrowings figures in this Section 7 have been extracted from the unaudited pro forma statement of net assets for the Continuing Group set out in Part V (Unaudited Pro Forma Statement of Net Assets) of this document.

8. CURRENT TRADING AND PROSPECTS OF THE GROUP

On 23 October 2012, the Group published its Interim Management Statement for the three months ending 30 September 2012 which contained the following commentary on the Group's current trading and prospects:

The Company has made substantial progress in stabilising and cleaning up the business and delivering against its growth strategies. While the economic, trading and consumer environment remains challenging, the Company's full year expectations remain unchanged.

On 20 November 2012, the Group announced that it proposed to close two bakery sites in Greenford and Birmingham during the course of 2013, in addition to the previously announced closure of the Eastleigh bakery, and to consolidate production from these locations into the Company's remaining bread manufacturing sites. In addition, the Group proposed to simplify its bread distribution network by removing approximately 130 distribution routes, taking into account the reduction in volumes from the previously announced loss of a bread contract by mid 2013, and to restructure the Company's outsourced logistics operations to optimise the new network. The bread contract accounts for approximately £75 million annual sales, has very low margins and is costly to service,

Charges associated with these proposals are expected to be approximately £28 million and will be reflected in the Company's 2012 and 2013 financial statements, with the majority of the cash outflows to implement the proposed changes taking place in 2013. The Company expects to recover the majority of the cash impact of the proposed changes in future periods through realising site disposals, reduced working capital requirements and lower capital expenditure. On a pro forma basis, the savings from the proposed restructuring are expected to offset the margin forgone from the lost bread contract. These proposals are not expected to have an impact on 2012 Trading profit.

The current trading and prospects of the Continuing Group are consistent with the commentary in respect of the Group set out above.

9. RISK FACTORS

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Disposal Resolution, please refer to Part II (Risk Factors) of this document.

10. ACTION TO BE TAKEN

Please vote on the resolution electronically or by post or through CREST or by attending the General Meeting in person or by proxy.

Electronically: please register the appointment of a proxy electronically by logging on to www.sharevote.co.uk so that the appointment is received by the Registrar by no later than 9.00 a.m. on 14 December 2012. To use this service you will need your Voting ID, Task ID and Shareholder Reference Number printed on the accompanying Form of Proxy. Full details of the procedure are given on the website.

By post: please complete and return the enclosed postage prepaid Form of Proxy card by post or in person so that it is received by Equiniti, the Registrar, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and in any event by 9.00 a.m. on 14 December 2012.

CREST: If you are a corporate or individual member of CREST, please vote through CREST in accordance with the procedures set out in the CREST Manual. Your vote must be received before 9.00 a.m. on 14 December 2012.

In person: please attend the General Meeting at the Company's offices, Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE on 18 December 2012 at 9.00 a.m. or send your duly appointed proxy to vote for you.

Full details of how to vote or appoint a proxy to vote for you are set out in the Notice of General Meeting on pages 45 to 48 of this document. The completion of your Form of Proxy or CREST or electronic vote will not preclude you from attending the meeting in person. Even if you intend to attend the meeting, please complete and return a Form of Proxy or vote through CREST or electronically. A proxy need not be a member of the Company.

11. IMPORTANCE OF THE VOTE

Pursuant to the terms of the Group's refinancing agreed in March 2012, the Group is required to realise aggregate proceeds from the Planned Disposals equal to the Aggregate Proceeds by 30 June 2014. The Bank Facilities Agreement further stipulates that £264 million of the Aggregate Proceeds is required to be realised by 31 December 2013 and that £300 million of the Aggregate Proceeds is required to be realised by 31 March 2014. As the lenders have consented to the Disposal, the proceeds from the Disposal, when aggregated with the proceeds from the disposals already made, will allow the Company to meet these requirements.

In July 2012, the Group completed the disposal of its Vinegar and Sour Pickles Business to Mizkan and the disposal of its Elephant Atta ethnic flour business to ABF Grain Products Limited. In addition, in October 2012 the Company completed the sale of its Sweet Spreads and Jellies Business to the Hain Celestial Group Inc. for an aggregate consideration of £202 million, comprised of £170 million in cash and £32 million in shares in Hain Celestial Group Inc. Aggregating the proceeds of these Planned Disposals means that the Company has generated gross proceeds of approximately £277 million, which fulfils the first disposal threshold of £264 million. The cash proceeds from the Disposal, when aggregated with the earlier Planned Disposals means that the Company would have generated proceeds of approximately £370 million, which would fulfil both the second disposal threshold of £300 million and the Aggregate Proceeds requirement of £330 million.

If shareholders do not approve the Disposal, the Company would seek to realise sufficient proceeds from the disposal of other assets. The Directors believe that the Company would be able to generate sufficient proceeds from the disposal of other assets to meet the £300 million threshold by the 31 March 2014 deadline and the Aggregate Proceeds threshold by the 30 June 2014 deadline. If the disposal of those other assets constituted a Non-Planned Disposal, then the Group would be required to obtain 66% per cent. majority lender consent. In this situation, as a result of the requirement to obtain 66% per cent. majority lender consent to any Non-Planned Disposal, the Directors are unable to express confidence that the £300 million threshold would be met by the March 2014 deadline and the Aggregate Proceeds threshold would be met by the 30 June 2014 deadline.

If the Company were to fail to meet the £300 million threshold by the 31 March 2014 deadline or the Aggregate Proceeds threshold by the 30 June 2014 deadline, the leverage ratio for the relevant test period (which ends on the relevant threshold deadline) would, under the Bank Facilities Agreement, be amended to be tested at a level of 2:1 by reference to the most recent audited financial statements delivered to the lenders and the monthly management accounts for the relevant period. Unless the leverage ratio were amended or waived with 66⅔ per cent. majority lender consent (which the Company would seek to obtain), the Group would be unlikely to meet a test of leverage at this level. The Directors are unable to express confidence that such an amendment or waiver would be forthcoming, given that the receipt of any such amendment or waiver would depend on the prevailing circumstances at that time. Unless such an amendment or waiver were obtained, an event of default would arise on the date falling 30 days after the relevant threshold deadline. If such an event of default were to occur, the majority lenders would have the right to accelerate the debt and to enforce their security over the Group's assets if the Group were unable to repay the amounts borrowed, which could result in an insolvency event.

12. FURTHER INFORMATION

Your attention is drawn to the further information set out in Part VII (Additional Information) of this document.

13. RECOMMENDATION

The Board considers the terms of the Disposal to be in the best interests of the shareholders of the Company taken as a whole.

Accordingly, the Board unanimously recommends that you vote in favour of the Disposal Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which amount in aggregate to 2,174,978 Ordinary Shares and represent approximately 0.907 per cent. of Premier Foods' issued share capital as at close of business on 29 November 2012 (the latest practicable date prior to publication of this document).

Yours faithfully,

David Beever
Non-executive Chairman

30 November 2012

PART II

RISK FACTORS

This Part II addresses the risks known to Premier Foods and the Directors which **are material risk factors to the proposed Disposal, will be material risk factors to the Group as a result of the proposed Disposal, or are existing material risk factors to the Group which will be impacted by the proposed Disposal**. The risk factors included are risks which could materially and adversely affect the business, results of operations, financial condition, turnover, profits and assets of the Group, as appropriate. In such cases, the market price of the Ordinary Shares may decline and investors may lose all or part of their investment. Prior to voting on the Disposal Resolution, Shareholders should consider these risks fully and carefully, together with all other information set out in this document.

Additional risks and uncertainties currently unknown to Premier Foods and the Directors, or which Premier Foods and the Directors currently deem immaterial or deem material to the Group but which will not result from or be impacted by the proposed Disposal, may also have an adverse effect on the financial condition or business of the Group and/or the Continuing Group.

1. RISKS RELATED TO, RESULTING FROM OR IMPACTED BY THE DISPOSAL

The following risks and uncertainties relate to the Disposal:

(A) *Warranties and indemnities in the Disposal Agreement*

The Disposal Agreement contains certain warranties and indemnities given by the Seller in favour of the Purchaser in respect of the Business. In addition the Seller and the Company have given warranties relating to capacity and authority to sell and solvency. If the Company or the Seller is required in the future to make payments under any of these warranties or indemnities, this would have an adverse effect on the Group's cash flow and financial condition.

The aggregate liability of the Company and the Seller for breaches of the warranties and indemnities contained in the Disposal Agreement shall not exceed the 50 per cent. of the Purchase Price (as defined in Section 4 of Part III (Principal Terms of the Disposal) of this document). Further details of the Disposal are set out in Part III (Principal Terms of the Disposal) of this document.

(B) *Liabilities and obligations of the Purchaser*

The Disposal Agreement contains certain warranties and indemnities given by the Purchaser in favour of Seller. The extent to which the Purchaser is required in the future to make payments under any of these warranties or indemnities is unpredictable. If, however, the Purchaser suffers financial distress, any payment due to the Seller under such warranties and indemnities may be put at risk.

(C) *Pre-Completion changes in the Business*

During the period from signing of the Disposal Agreement on 30 October 2012 to Completion, events or developments may occur which could make the terms of the Disposal less attractive for Premier Foods. The Seller may be obliged to complete the Disposal notwithstanding such events or developments. This may have an adverse effect on the business, financial condition and results of operations of the Continuing Group.

(D) *Purchaser's termination rights*

The Purchaser could become entitled to terminate the Disposal Agreement and withdraw from the Disposal in certain circumstances (as described in Section 8 of Part III (Principal Terms of the Disposal)) including if there is a material adverse change in the Business before Completion. In the event of any of the conditions precedent set out in Section 3 of Part III not being satisfied, the Seller will be required to pay the Purchaser, on demand, an amount equal to £1,000,000. If the Disposal does not complete, any of the risks and uncertainties set out in Section 2 of Part II may affect the Group's business and results.

(E) ***Conditions***

Completion under the Disposal Agreement is conditional upon the approval of Shareholders and the giving of all consents required from lenders under the Group's finance facilities to permit the Disposal (which were received on 26 November 2012). If the Shareholder approval condition is not satisfied then Completion will not take place. If the Disposal does not complete, any of the risks and uncertainties set out in Section 2 of this Part II may affect the Group's business and results.

(F) ***The Continuing Group's operations will be less diversified***

Following the Disposal, the Continuing Group's business will be less diversified. Weak performance in the remaining businesses, or in any particular part of these businesses, may have a proportionately greater adverse impact on the financial condition of the Continuing Group.

2. RISKS RELATED TO, RESULTING FROM OR IMPACTED BY THE DISPOSAL NOT PROCEEDING

If the Disposal does not proceed, the following risks and uncertainties may affect the Group's business and results:

(A) ***Importance of the vote***

Pursuant to the terms of the Group's refinancing agreed in March 2012, the Group is required to realise proceeds equal to the Aggregate Proceeds by 30 June 2014 (as further described in Section 7.1 of Part VII (Additional Information)). The Bank Facilities Agreement further stipulates that £264 million of the Aggregate Proceeds is required to be realised by 31 December 2013 and that £300 million of the Aggregate Proceeds is required to be realised by 31 March 2014. Given the lender's consent, the proceeds from the Disposal, when aggregated with the proceeds from the disposals already made, would allow the Company to meet these thresholds.

In July 2012 the Group completed the disposal of its Vinegar and Sour Pickles Business to Mizkan and the disposal of its Elephant Atta ethnic flour business to ABF Grain Products Limited. In addition, in October 2012 the Company completed the sale of its Sweet Spreads and Jellies Business to the Hain Celestial Group Inc. for an aggregate consideration of £202 million, comprised of £170 million in cash and £32 million from the sale of shares in the Hain Celestial Group Inc. Aggregating the proceeds of these disposals together means that the Company has generated gross proceeds of approximately £277 million, which fulfils the first disposal threshold of £264 million. The cash proceeds from the Disposal, when aggregated with the earlier Planned Disposals, means that the Company would have generated proceeds of approximately £370 million, which would fulfil both the second disposal threshold of £300 million and the Aggregate Proceeds requirement of £330 million.

If shareholders do not approve the Disposal, the Company would seek to realise sufficient proceeds from the disposal of other assets. The Directors believe that the Company would be able to generate sufficient proceeds from the disposal of other assets to meet the £300 million threshold by the 31 March 2014 deadline and the Aggregate Proceeds threshold by the 30 June 2014 deadline. If the disposal of those other assets constituted a Non-Planned Disposal, then the Group would be required to obtain 66⅔ per cent. majority lender consent. In this situation, as a result of the requirement to obtain 66⅔ per cent. majority lender consent to any Non-Planned Disposal, the Directors are unable to express any confidence that the £300 million threshold would be met by the 31 March 2014 deadline, or that the Aggregate Proceeds threshold would be met by the 30 June 2014 deadline.

If the Company were to fail to meet the £300 million threshold by the 31 March 2014 deadline or the Aggregate Proceeds threshold by the 30 June 2014 deadline, the leverage ratio for the relevant test period (which ends on the relevant threshold deadline) would, under the Bank Facilities Agreement, be amended to be tested at a level of 2:1 by reference to the most recent audited financial statements delivered to the lenders and the monthly management accounts for the relevant period. Unless the leverage ratio were amended or waived with 66⅔ per cent. majority lender consent (which the Company would seek to obtain), the Group would be unlikely to meet a test of leverage at this level.

The Directors are unable to express any confidence that such an amendment or waiver would be forthcoming, given that the receipt of any such amendment or waiver would depend on the prevailing circumstances at that time. Unless such an amendment or waiver were obtained, an event of default would arise on the date falling 30 days after the relevant threshold deadline. If such an event of default were to occur, the majority lenders would have the right to accelerate the debt and to enforce their security over the Group's assets if the Group were unable to repay the amounts borrowed which could result in an insolvency event.

(B) *Potentially disruptive effect on the Group*

If the Disposal does not proceed, the Business's management and employees may be affected and key management or employees may choose to leave the Business. This may have a negative effect on the performance of the Business under Premier Foods' ownership. To maintain shareholder value, Premier Foods' management would be required to continue to allocate time and cost to the ongoing supervision and development of the Business.

(C) *Loss of shareholder value*

The Board believes that the Disposal is in the best interest of Shareholders taken as a whole and that it currently provides the best opportunity to realise an attractive and certain value for the Business. If the Disposal does not complete, the value to Premier Foods of the Business may be lower than can be realised by way of the Disposal.

3. RISKS RELATED TO THE GROUP'S INDUSTRY AS RELATED TO, RESULTING FROM OR IMPACTED BY THE DISPOSAL

(A) *Economic conditions and the current economic downturn*

The Business produces a number of Non Branded products which typically have a lower margin than branded products. In periods of economic downturn, consumers may seek to economise by purchasing more Non Branded or economy products. As a result, a deeper and more prolonged economic downturn may lead to a decline in the volume of sales of premium and branded products to the extent that consumers move to more Non Branded products.

(B) *Increased concentration and buying power of grocery retailers*

Approximately 56 per cent. of the Group's total sales for 2011 were generated from five major UK multiple retailers. The sale of the Business will result in a reduction of the size of the Group with fewer products and potentially less selling power in the sector with the risk that the Group's customers may give higher priority to their own products or to the products of the Group's competitors. If the Group's retail customers do not continue to purchase its products, or provide its products with similar levels of promotional support, the Group's sales performance could be adversely affected.

4. RISKS RELATED TO THE GROUP'S BUSINESS AS RELATED TO, RESULTING FROM OR IMPACTED BY THE DISPOSAL

(A) *Dependency on key suppliers*

The Group has a large network of suppliers due to the large number of materials it sources, and the Group purchases a significant amount of materials over the course of a calendar year. It leverages its size to improve its buying power and this buying power has resulted in lower prices, increased availability of raw materials and favourable contractual terms. With the sale of the Business, there is a risk that this buying power is reduced and the Group may lose some of the synergies it currently benefits from due to its size.

(B) *Brand management and licences*

The Group's brands are a key asset to its business and maintaining their reputation is critical to the Group's success. Most of the Group's key brands have been marketed for several decades. The Group's marketing teams must continue to support its brands through investment in new product

development, product repackaging, brand relauches and marketing efforts in order to continue to generate revenues and maintain or increase market share. If the Group is not successful in its brand management efforts or the reputation of any of its key brands is adversely affected, such as through a major product recall, the results of the Group's operations and its profitability could be materially and adversely affected.

Whilst the majority of the intellectual property used in the Group's business is owned, the Group has entered into medium to long-term licensing arrangements for the use of certain brands (including its *Loyd Grossman* brand of sauces and soups and *Cadbury's* for cakes and home baking). When these licensing arrangements expire, they may not be renewable on terms acceptable to the Group or at all. The failure to renew one or more of the Group's licences could have an adverse effect on the results of its operations.

(C) ***Product quality and safety***

The Group's products are subject to a number of supply, manufacturing, packaging and distribution processes. A failure to control the quality of these processes, or the occurrence of some other event (for example, a third-party contamination or tampering incident), may result in the need to take remedial action such as issuing warnings, withdrawing one or more batches of the Group's products or destruction of inventory. Such occurrences may harm the Group's relationships, both with consumers of its goods, and with its customers and may, where the product is branded, damage the reputation of such brand as well as other brands in the Group's portfolio. If such branded product is manufactured under agreement or licence, such a quality control failure may also result in the termination of the relevant agreement or licence. The Group takes product quality very seriously and has rigorous quality assurance processes in place to minimise any potential risk. Nonetheless, any of these circumstances could have an adverse effect on the Group's business and the results of its operations.

(D) ***Dependency on key senior personnel***

The Group's performance depends significantly on the efforts and expertise of its key senior personnel. The unexpected loss of the services of one or more of these individuals could have an adverse effect on the results of the Group's operations. With the sale of the Business, there is a risk that key senior personnel leave the Group. Although the Group seeks to reduce this risk by giving managers authority within their areas of responsibility and ensuring that they are suitably incentivised, there can be no assurances that the Group can attract, retain or replace key personnel.

(E) ***Business separation***

Although the Company has clear reporting structures in place to manage the process of business separation and dedicated teams coordinating all separation work streams, the transitional services agreements contemplated by certain material contracts detailed below in Part VII (Additional Information) of this document, which relate to the Group's ongoing divestment programme that began in 2011, could give rise to the material risks associated with business separation. In particular, the ongoing business separation may represent a significant burden on the Company's support functions, which may adversely affect customer relationships, disrupt synergies in working practices and lead to cost increases for its core business.

(F) ***Risks relating to the recovery plan***

The Group suffered a significant deterioration in its trading performance in 2011. In order to achieve the Group's plan to stabilise the business, management has focused investment on its eight Power Brands, which it believes have the strongest potential for long-term, sustainable growth. This strategic focus has resulted in the selective divestments of non-core businesses and significant cost-saving initiatives to improve the underlying financial performance of the Group's business. During 2012, management has targeted £40 million of cost savings and has already completed a number of divestments and the Group aims to deliver a further £20 million in overhead cost reductions in 2013. These divestments involve complex transitional support arrangements for the respective purchasers

and may also result in dis-synergies across the remaining Group. All or any of these initiatives may fail to improve financial performance, or fail to occur at all, which may have adverse consequences on the Group's financial position.

The Group's trading performance may be further affected by competition from well-established companies that operate on both a national and international basis in the grocery sector. A deeper and more prolonged economic downturn could lead to an increase in competitor promotional activity and, to ensure that its products remain competitive, the Group may be required to reduce its prices as a result of price reductions or promotional sales undertaken by its competitors. If the Group is unable to continue to compete successfully, its business could be materially and adversely affected.

(G) ***Risks relating to previous divestments***

As part of the divestment process which began in 2011, the Group has given representations, warranties and indemnities pursuant to various disposal agreements, in favour of the respective purchasers. Please refer to Section 7 of Part VII (Additional Information) for further information on these disposal agreements. Despite the inclusion of customary limitation of liability provisions in these disposal agreements, purchasers may make a claim against the Group in respect of such representations, warranties or indemnities. If a successful claim is made by a purchaser, the Group will be liable to make a payment to such purchaser.

5. RISKS RELATED TO THE GROUP'S FINANCIAL ARRANGEMENTS AS RELATED TO, RESULTING FROM OR IMPACTED BY THE DISPOSAL

(A) ***Substantial leverage***

As at 30 June 2012, the Group had total net debt of £1,269.4 million, although as referred to in Section 7 of Part I of this document, the Company has generated disposal proceeds of £275 million following 30 June 2012 which has been applied to reduce the total net debt. The Group anticipates that its debt will remain significant for the foreseeable future (reducing over time in accordance with relevant repayment provisions and realisation of disposal proceeds). The Group's level of leverage poses risks that: (i) a greater portion of the cash flow from its operations than anticipated will have to be dedicated to servicing the Group's debt (for example, due to a rise in its effective interest rates or a decline in the performance of the Group); (ii) the Group may have a much higher level of debt than certain of its competitors, which may constrain the Group's marketing expenditure, thereby adversely affecting sales and the results of its operations (iii) the Group's debt level and financial covenants may limit its ability to react to changing market conditions, changes in its business and changes in the industry in which it operates.

The Group's current financing arrangements are due to expire in June 2016. Upon expiry, the Group may face difficulties refinancing these facilities on commercially reasonable terms or at all. If the Group is unable to refinance these facilities, it could experience a material adverse effect on its liquidity, financial position or results of operations. The risk that the Group is unable to refinance its facilities can be impacted by a range of institution-specific and market-wide events including, but not limited to, trading conditions, credit events, merger and acquisition activity, systemic shocks and natural disasters.

PART III

PRINCIPAL TERMS OF THE DISPOSAL

A. DISPOSAL AGREEMENT

The Disposal Agreement was entered into on 30 October 2012 between the Seller, the Company, the Purchaser and the Purchaser's Guarantor for the sale and purchase of the Business. The principal terms of the Disposal are set out in this Part III.

1. BUSINESS AND ASSETS INCLUDED IN THE DISPOSAL

The business to be disposed of by the Seller pursuant to the Disposal Agreement comprises the business of manufacturing, marketing, selling and/or distributing sweet pickles, relish, table sauces, mayonnaise and salad cream products under the brand names *Branston*, *Rothwells* and *Waistline* (as well as certain Non Branded products) carried out by the Seller at the Bury St. Edmunds Site.

The assets which are to be disposed of include:

- (a) the freehold property at Mildenhall Road in Bury St. Edmunds (together with all fixtures and fittings, fixed equipment and certain logistics assets);
- (b) the brand names *Branston*, *Rothwells* and *Waistline* and the intellectual property rights in the products currently sold by the Seller under these brand names;
- (c) the moveable equipment, IT systems, stock, business records and third party rights relating to the Business; and
- (d) certain contracts relating to the business (including customer contracts, supply contracts, finance agreements, licences and intellectual property agreements) as either listed in the Disposal Agreement or which are otherwise relating to the Business,

save for the excluded assets set out in Section 2 below.

2. EXCLUDED ASSETS

In addition to customary exclusions relating to matters attributable to the period prior to Completion and assets which do not relate to the Business, together with the stock, intellectual property, certain contracts and other assets used in relation to the businesses undertaken by of the Group used in the production of products in relation to the *Loyd Grossman*, *Homepride* and *Sharwood's* brands are excluded from the Disposal.

3. CONDITIONS PRECEDENT TO COMPLETION

In addition to the delivery of certain items by the Seller, the Company and the Purchaser required to effect the transfer of the Business and the assets described in Section 1 of this Part III to each other on Completion, Completion is conditional on:

- (a) the passing of the Disposal Resolution by Shareholders; and
- (b) the giving of consents required from lenders under the Group's finance facilities to permit the Disposal (which were received on 26 November 2012).

4. CONSIDERATION

The total consideration payable by the Purchaser to the Seller on the sale of the Business is £92.5 million (the *Purchase Price*). The Purchase Price is payable in cash on Completion and is subject to adjustments for the amount by which the actual value of the stock relating to the Business held by or on behalf of the Seller (or any companies in the Group) on Completion is, following a post-Completion joint stock-take by the

Seller and the Purchaser, assessed to be greater or lesser than the average value of such stock set out in the Disposal Agreement.

5. WARRANTIES AND INDEMNITIES

The Seller and the Purchaser have given a number of warranties on the date of the Disposal Agreement and on Completion and indemnities which are customary for a transaction of this nature.

The aggregate liability of the Seller and the Company for breaches of the Disposal Agreement shall not exceed 50 per cent. of the Purchase Price. The Purchaser is not entitled to recover any amount in respect of warranty claims unless the aggregate value of claims under the warranties exceed £1,150,000. Any individual warranty claims of a value of less than £230,000 cannot be recovered.

Claims must, generally, be notified to the Seller and commenced within 12 months after the date of Completion and within four years of the date of Completion for claims under the tax warranties.

6. GUARANTEES

The Purchaser's Guarantor has guaranteed the Purchaser's obligations, commitments and undertakings under the Disposal Agreement and certain other documents entered into in connection with the Disposal.

7. UNDERTAKINGS

The Seller has undertaken that the Business will continue to trade in the ordinary course of business until Completion. The Seller has also given non-compete undertakings regarding the Business, in each case for a period of two years following Completion and with exceptions allowing the Group to continue to operate its retained businesses in the ordinary course and to participate in certain acquisitions and disposals. These undertakings are customary for a transaction of this nature.

8. TERMINATION

The Disposal Agreement may be terminated, subject to certain accrued rights:

- (a) unless the Purchaser and the Seller otherwise agree, automatically if the conditions described in Section 3 of this Part III have not been satisfied on or before 28 February 2013;
- (b) by the Purchaser upon an event occurring during the period before Completion which gives rise to a "material adverse change" (as such is defined in the Disposal Agreement) in the Business; or
- (c) by written notice by either of the parties if the other party fails to comply with its obligations on the date of Completion.

If the Disposal Agreement is terminated for the reasons outlined in Section 8(a) above, the Seller will be required to pay the Purchaser, on demand, an amount equal to £1,000,000.

B. OTHER AGREEMENTS

The following additional documents will be entered into or become effective in connection with the Disposal on Completion:

- (d) a transitional services agreement pursuant to which the Seller will provide (or procure the provision of) certain transitional services to the Business for a period following Completion as described in Section 6.4 of Part I;
- (e) a co-packaging agreement pursuant to which the Purchaser will continue to manufacture certain cooking sauces and other products at the Bury St. Edmunds Site on behalf of the Seller for a period of 15 years; and

- (f) an IP assignment to give effect to the transfer of certain trade marks, design rights and domain names, which are to be sold by the Seller to the Purchaser in accordance with the terms of the Disposal Agreement.

9. GOVERNING LAW

The Disposal Agreement and the agreements referred to in Section B of this Part III are governed by English law.

PART IV

FINANCIAL INFORMATION ON THE BUSINESS

For the six months ended 30 June 2012, the unaudited financial information relating to the Business has been extracted without material adjustment from the underlying books and records used in preparing the unaudited interim consolidated financial information of the Company for the six months ended 30 June 2012. For the three years ended 31 December 2011, the financial information relating to the Business has been extracted without material adjustment from the underlying books and records used in preparing the audited consolidated financial statements of the Group for the three years ended 31 December 2011.

The financial information contained in this Part IV does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The consolidated statutory accounts for Premier Foods in respect of the three financial years ended 31 December 2011 have been delivered to the Registrar of Companies. The auditors' reports in respect of the statutory accounts for each of these three periods were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985 or, as the case may be, Section 498(2) or (3) of the Companies Act 2006.

The financial information contained in this Part IV has been prepared using the accounting policies of Premier Foods on a basis consistent with the accounting policies adopted in Premier Foods' latest annual accounts.

Shareholders should read the whole of this document and not rely solely on the financial information contained in this Part IV.

Financial information

(i) Income statement (on an IFRS basis) for the three years ended 31 December 2011 and six months ended 30 June 2012:

	<i>Year ended 31 December 2009 £ million</i>	<i>Year ended 31 December 2010 £ million</i>	<i>Year ended 31 December 2011 £ million</i>	<i>Six months ended 30 June 2012 £ million</i>
Turnover	72.3	72.9	66.0	26.0
Cost of sales	(61.6)	(54.8)	(52.5)	(22.6)
Gross profit	10.7	18.1	13.5	3.4
Selling and distribution costs	(6.2)	(5.2)	(4.8)	(1.9)
Administrative expenses	(0.6)	(0.6)	(0.6)	(0.3)
Operating profit	3.9	12.3	8.1	1.2
Profit on ordinary activities before taxation	3.9	12.3	8.1	1.2

Notes:

The income statement information presented above is before the allocation of central Group and corporate costs, as it is not possible to provide a meaningful allocation of these costs and all central group and corporate costs will remain with the Continuing Group (the Group does not allocate costs at a divisional level).

No interest or tax allocation is performed for the purpose of the Group consolidation. As a result it is not possible to provide a meaningful allocation of the Group interest and tax charges for these periods.

The income statement information presented above is unaudited.

(ii) **Net asset statement (on an IFRS basis) as at 30 June 2012:**

	<i>As at 31 December 2011 £ million</i>	<i>As at 30 June 2012 £ million</i>
Non-current assets		
Property, plant and equipment	31.3	38.0
Other intangible assets	3.5	3.3
Current assets		
Inventories	8.2	9.4
Total assets and net assets	<u>43.0</u>	<u>50.7</u>

Notes:

The net assets of the Business above exclude goodwill of £31.1 million and a deferred tax liability of £5.5 million held centrally on consolidation of the Premier Foods Group. The goodwill arose on the acquisition of Nestlé's UK ambient food business.

The net assets information presented above is unaudited.

PART V

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of consolidated net assets of the Group as at 30 June 2012. It has been prepared on the basis set out in the notes below to illustrate the effect of the Disposal on the consolidated net assets of the Continuing Group had the Disposal and the previously announced disposal of the Sweet Spreads and Jellies Business occurred on 30 June 2012. It has been prepared for illustrative purposes only. Because of its nature, the pro forma statement addresses a hypothetical situation and, therefore, does not represent the Continuing Group's actual financial position or results. It is based on the unaudited interim consolidated financial information of the Group as at 30 June 2012 and from the financial information of the Business as at 30 June 2012 contained in Part IV. The Sweet Spreads and Jellies pro forma adjustment has been extracted without material adjustment from Section A of Part V of the Sweet Spreads and Jellies Business Circular, which has been incorporated into this document as described in Section 12 of Part VII.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part V.

PricewaterhouseCoopers LLP's report on the unaudited pro forma statement of net assets is set out in Part VI (Report on the unaudited pro forma statement of net assets) of this document.

	<i>As at 30 June 2012 £ million Note 1</i>	<i>Sweet Spreads and Jellies net assets adjustments as at 30 June 2012 £ million Note 7</i>	<i>Proforma excluding Sweet Spreads and Jellies Business £ million</i>	<i>Business net assets adjustments as at 30 June 2012 £ million Note 2</i>	<i>Business centrally held consolidation adjustments as at 30 June 2012 £ million Note 3</i>	<i>Business Disposal adjustments £ million Note 4</i>	<i>Pro forma excluding the Business and Sweet Spreads and Jellies business as at 30 June 2012 £ million</i>
ASSETS:							
Non-current assets							
Property, plant and equipment	464.8	(29.4)	435.4	(38.0)	–	–	397.4
Goodwill	838.4	(85.9)	752.5	–	(31.1)	–	721.4
Other intangible assets	751.5	(29.4)	722.1	(3.3)	–	–	718.8
Retirement benefits assets	12.0	–	12.0	–	–	–	12.0
Total non-current assets	2,066.7	(144.7)	1,922.0	(41.3)	(31.1)	–	1,849.6
Current assets							
Assets held for sale (Note 6)	34.9	–	34.9	–	–	–	34.9
Inventories	149.1	(16.3)	132.8	(9.4)	–	–	123.4
Trade and other receivables	274.2	–	274.2	–	–	–	274.2
Financial assets							
– derivative financial instruments	0.3	–	0.3	–	–	–	0.3
– Consideration Shares held for sale	–	30.0	30.0	–	–	–	30.0
Cash and cash equivalents	48.7	–	48.7	–	–	–	48.7
Total current assets	507.2	13.7	520.9	(9.4)	–	–	511.5
Total assets	2,573.9	(131.0)	2,442.9	(50.7)	(31.1)	–	2,361.1

	<i>As at 30 June 2012 £ million Note 1</i>	<i>Sweet Spreads and Jellies net assets adjustments as at 30 June 2012 £ million Note 7</i>	<i>Proforma excluding Sweet Spreads and Jellies Business £ million</i>	<i>Business net assets adjustments as at 30 June 2012 £ million Note 2</i>	<i>Business centrally held consolidation adjustments as at 30 June 2012 £ million Note 3</i>	<i>Business Disposal adjustments £ million Note 4</i>	<i>Pro forma excluding the Business and Sweet Spreads business as at 30 June 2012 £ million</i>
LIABILITIES:							
Current liabilities							
Trade and other payables	(351.7)	–	(351.7)	–	–	–	(351.7)
Financial liabilities							
– short term borrowings	(185.1)	–	(185.1)	–	–	–	(185.1)
– derivative financial instruments	(19.5)	–	(19.5)	–	–	–	(19.5)
Accrued interest payable	(0.9)	–	(0.9)	–	–	–	(0.9)
Provisions	(12.8)	–	(12.8)	–	–	–	(12.8)
Current income tax liabilities	(0.8)	–	(0.8)	–	–	–	(0.8)
Liabilities held for sale (Note 6)	(2.4)	–	(2.4)	–	–	–	(2.4)
Total current liabilities	(573.2)	–	(573.2)	–	–	–	(573.2)
Non-current liabilities							
Financial liabilities							
– long term borrowings	(1,133.0)	164.9	(968.1)	–	–	91.4	(876.7)
Retirement benefit obligations	(284.6)	2.0	(282.6)	–	–	0.9	(281.7)
Provisions	(53.6)	–	(53.6)	–	–	–	(53.6)
Other liabilities	(26.6)	–	(26.6)	–	–	–	(26.6)
Deferred tax liabilities	(2.8)	4.0	1.2	–	5.5	–	6.7
Total non-current liabilities	(1,500.6)	170.9	(1,329.7)	–	5.5	92.3	(1,231.9)
Total liabilities	(2,073.8)	170.9	(1,902.9)	–	5.5	92.3	(1,805.1)
Net assets	500.1	39.9	540.0	(50.7)	(25.6)	92.3	556.0

Notes:

1. The net assets relating to the Group have been extracted without material adjustment from the unaudited interim consolidated financial information of the Group as at 30 June 2012, and prepared under IFRS.
2. These adjustments remove the assets of the Business which will be disposed of. These adjustments were extracted without material adjustment from the historical financial information of the Business as at 30 June 2012 contained in Part IV.

At 30 June 2012, the assets of the Business were as follows:

	<i>As at 30 June 2012 £ million</i>
Non-current assets	
Property, plant and equipment	38.0
Other intangible assets	3.3
Current assets	
Inventories	9.4
Total assets	50.7

3. These adjustments write off the goodwill of £31.1 million held on consolidation at the Group level as a result of the Disposal together with a deferred tax liability of £5.5 million. This goodwill arose on the acquisition of Nestlé's UK Ambient Food business by the Group, and therefore is not directly held by, or to be sold with, the Business. The adjustment was extracted without material adjustment from the unaudited interim consolidated financial information of the Group as at 30 June 2012.
4. Disposal adjustments comprise the receipt of cash proceeds of £92.5 million less estimated transaction and related costs of £1.1 million. In addition, an estimated pension curtailment gain of £0.9 million arises as a result of employees of the Business ceasing to be active members of the Group's pension schemes on disposal.

5. When taking into account the net cash proceeds of £91.4 million arising from the disposal of the Business, pro forma net borrowings as at 30 June 2012 would be £1,178.0 million.

	<i>£ million</i>	<i>£ million</i>
Group net debt as at 30 June 2012		1,269.4
Gross cash proceeds	(92.5)	
Estimated transaction costs	1.1	
Net proceeds		(91.4)
Group pro forma net debt as at 30 June 2012		1,178.0

6. At 30 June 2012, the assets and liabilities of the Vinegars and Sour Pickles business and the Elephant Atta Ethnic Flour business were classified in assets and liabilities held for sale in the unaudited interim consolidated financial information of the Group. The breakdown of the assets and liabilities held for sale are as follows:

	<i>£ million</i>
Assets held for sale	
Property, plant and equipment	6.6
Inventories	5.5
Goodwill (held on consolidation)	17.8
Other intangible assets	5.0
Total	34.9
Liabilities held for sale	
Provision for deferred tax	(2.4)

7. These adjustments remove the assets and liabilities of the Sweet Spreads and Jellies Business and write off the assets and liabilities held on consolidation of the Group as a result of such disposal. These adjustments were extracted without material adjustment from the Sweet Spreads and Jellies Circular. The value of the Considerations Shares at closing as stated in the Sweet Spreads and Jellies Circular was £30.0 million. Actual value on monetisation of the Consideration Shares was £32.0 million, resulting in gross proceeds of £202 million arising from the disposal of the Sweet Spreads and Jellies Business.
8. In addition to the cash proceeds arising from the disposal of the Business, when taking into account the net proceeds from the disposals of the Group's Sweet Spreads and Jellies business, Vinegars and Sour Pickles business and the Elephant Atta Ethnic Flour business, pro forma net borrowings as at 30 June 2012 would be £908.4 million. The gross proceeds from the disposals of the Vinegars and Sour Pickles business and the Elephant Atta Ethnic Flour business are taken from the Company's transaction announcements of 6 July 2012 and 30 July 2012.

	<i>£ million</i>	<i>£ million</i>
Group pro forma net debt as at 30 June 2012 (note 5)		1,178.0
Gross proceeds from disposal of Sweet Spreads and Jellies business (note 7)	(202.0)	
Gross proceeds from disposal of Vinegars and Sour Pickles business	(41.0)	
Gross proceeds from disposal of Elephant Atta Ethnic Flour business	(33.8)	
Sweet Spreads and Jellies normalised working capital adjustment to proceeds	0.7	
Estimated transaction costs	6.5	
Net proceeds		(269.6)
Group pro forma net debt as at 30 June 2012		908.4

9. No account has been taken of the trading results of the Group or the Business for the period since 30 June 2012.

PART VI

**REPORT ON THE UNAUDITED PRO FORMA STATEMENT
OF NET ASSETS**



The Directors
Premier Foods plc
Premier House
Centrium Business Park
Griffiths Way
St. Albans
Hertfordshire
AL1 2RE

Credit Suisse Securities (Europe) Limited
One Cabot Square,
London,
E14 4QJ

30 November 2012

Dear Sirs

Premier Foods plc (the Company)

We report on the unaudited pro forma statement of net assets (the *Pro forma financial information*) set out in Part V of the Company's circular dated 30 November 2012 (the *Circular*) which has been prepared on the basis described in the notes to the Pro forma financial information, for illustrative purposes only, to provide information about how the proposed disposal of the Business might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the unaudited interim financial information for the six month period ended 30 June 2012. This report is required by item 13.3.3R of the Listing Rules of the UK Listing Authority (the *Listing Rules*) and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules as to the proper compilation of the Pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

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PART VII

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

Premier Foods and the Directors of Premier Foods, whose names appear in Section 3.1 of this Part VII (Additional Information), accept responsibility for the information contained in this document. To the best of the knowledge and belief of Premier Foods and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales as a public limited company on 22 June 2004 under the Companies Act 1985 with registered number 05160050. The legal and commercial name of the Company is Premier Foods plc. The Company's registered office and principal place of business is at Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire AL1 2RE. The telephone number of the Company's registered office is +44 (0) 1727 815 850.
- 2.2 The principal legislation under which the Company operates are the Companies Acts and the regulations made thereunder.

3. DIRECTORS, THEIR SERVICE CONTRACTS AND THEIR INTERESTS IN ORDINARY SHARES

Directors

- 3.1 The Directors of the Company are as follows:

David Beever	<i>(Non-executive Chairman)</i>
Michael Clarke	<i>(Chief Executive Officer)</i>
Mark Moran	<i>(Chief Financial Officer)</i>
Geoff Eaton	<i>(Chief Operating Officer)</i>
Ian Krieger	<i>(Non-executive Director)</i>
Jennifer Laing	<i>(Non-executive Director)</i>
Ian McHoul	<i>(Senior Independent Non-executive Director)</i>
Charles Miller Smith	<i>(Non-executive Director)</i>
David Wild	<i>(Non-executive Director)</i>

Directors' service contracts

- 3.2 Other than as set out below, there are no existing or proposed service contracts between any Director and any member of the Group except for the contracts and letters of appointment, details of which were included in the published annual accounts of the Group for the year ended 31 December 2011 and a summary of which is provided below.
- 3.3 Michael Clarke, the Chief Executive Officer, has a service agreement which commenced on 16 August 2011 and Mark Moran, the Chief Financial Officer, has a service agreement which commenced on 8 December 2011. Geoff Eaton was appointed as Chief Operating Officer on 3 October 2012 and has a service agreement which commenced on that date. The service agreements continue until terminated on 12 months' notice by either party. In the event of early termination (other than for a reason justifying summary termination in accordance with the terms of the service agreement), the Company may (but is not obliged to) pay the relevant executive Director, in lieu of notice, a sum equal to the annual value of the relevant executive Director's then salary, benefits and pension contributions which he would have received during the contractual notice period.

- 3.4 The Non-executive Directors have individual letters of appointment.
- 3.5 David Beever was appointed as a Non-executive Director for an initial three year period with effect from 21 January 2008 and was extended with effect from 20 January 2011 for a further 3 years. He was appointed Chairman on 1 June 2012.
- 3.6 Charles Miller Smith, who was appointed as a Non-executive Director from 16 June 2009 pursuant to a Relationship Agreement with Warburg Pincus (as set out in Section 6 of this Part VII), was appointed Non-executive Deputy Chairman with effect from 1 October 2010 for an interim period which came to an end on 1 October 2012.
- 3.7 Ian McHoul's appointment as a Non-executive Director was extended with effect from 19 July 2010 for a further three years. David Wild was appointed as a Non-executive Director with effect from 7 March 2011 until the annual general meeting of the Company in 2014.
- 3.8 On 15 August 2012 the Company announced the appointment of Jennifer Laing as a Non-executive Director with effect from 1 October 2012 until the annual general meeting of the Company in 2015. In addition, on 1 November 2012 the Company announced the appointment of Ian Krieger as a Non-executive Director of the Company with immediate effect until the annual general meeting of the Company in 2015.
- 3.9 All Non-executive Director letters of appointment are terminable on 3 months' notice by either party (with the exception of Charles Miller Smith as referred to above). There are no provisions for compensation being payable upon early termination of an appointment of a Non-executive Director.

Directors' interests in Ordinary Shares

- 3.10 As at 29 November 2012 (being the latest practicable date prior to the publication of this document), the interests of each Director, their immediate families and related trusts and, insofar as is known to them or could with reasonable diligence be ascertained by them, persons connected (within the meaning of Section 252 to 255 of the Companies Act 2006) with the Director (all of which, unless otherwise stated, are beneficial) in the share capital of the Company, including interests arising pursuant to any transaction notified to the Company pursuant to rule 3.1.2 of the Disclosure Rules, are as follows:

<i>Name of Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>No. of shares under Long- Term Incentive Awards</i>	<i>No. of shares under Recruitment Awards</i>
David Beever	31,900	0.013	—	—
Michael Clarke	374,078	0.156	1,304,347	875,000
Mark Moran	1,754,000	0.731	554,347	—
Geoff Eaton	—	—	—	—
Ian Krieger	—	—	—	—
Jennifer Laing	—	—	—	—
Ian McHoul	10,000	0.004	—	—
Charles Miller Smith*	—	—	—	—
David Wild	5,000	0.002	—	—
Total	2,174,978	0.907	1,858,694	875,000

* In March 2012 Mr. Miller Smith entered into contracts for difference over 268,027 Ordinary Shares at prices of 112.5p – 115.2p per share.

4. MAJOR INTERESTS IN ORDINARY SHARES

- 4.1 Set out in the table below are the names of those persons, other than the Directors, who, so far as the Company is aware, are interested, directly or indirectly, in three per cent. or more of the Company's total voting rights and capital in issue as at 29 November 2012 (being the latest practicable date prior

to the publication of this document). The Company has received no notifications of any changes to this information since this date.

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
Warburg Pincus LLC	41,573,972	17.34
Paulson & Co. Inc.	26,292,742	10.96
Templeton Investment Counsel, LLC	16,572,452	6.91
Standard Life Investments Ltd	14,486,170	6.04
TD Waterhouse (Europe) Ltd	8,252,625	3.44
Barclays PLC	8,246,032	3.44
Legal & General Group Plc	7,689,436	3.21
Cazenove Capital Management Limited	7,611,900	3.17

- 4.2 The Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

5. DETAILS OF KEY INDIVIDUALS FOR THE BUSINESS

There are no individuals deemed by the Company to be key to the operations of the Business.

6. RELATED PARTY TRANSACTIONS

- 6.1 During the three years ended 31 December 2011 and the current financial year to date, the Group has entered into the following related party transaction. A related party transaction for these purposes is one set out in the standards adopted according to Regulation (EC) No. 1606/2002.
- 6.2 Warburg Pincus is considered to be a related party of the Group by virtue of its 17.34 per cent. equity shareholding in Premier Foods and its power to appoint a member to the Board under the terms of a relationship agreement between Warburg Pincus and the Company dated 5 March 2009 (the *Relationship Agreement*).
- 6.3 Under the Relationship Agreement, Warburg Pincus, with the agreement of the Company, may appoint a Director so long as Warburg Pincus retains a minimum interest of 23,980,215 Ordinary Shares in the Company. Pursuant to the Relationship Agreement, Charles Miller Smith was appointed as a Non-executive Director of the Company in June 2009. The Relationship Agreement also governs the retention by Warburg Pincus of its shareholding in Premier Foods and its purchase of further shares in the Company.

7. MATERIAL CONTRACTS

7.1 *Continuing Group*

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Continuing Group either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Continuing Group; or (ii) at any time, which contain any provisions under which any member of the Continuing Group has any obligation or entitlement which is, or may be, material to the Continuing Group (as relevant) as at the date of this document, save as disclosed below:

(a) *Disposal Agreement*

A summary of the principal terms of the Disposal Agreement is set out in Part III (Principal Terms of the Disposal) of this document.

(b) *Co-packaging Agreement*

On 30 October 2012, PFGL entered into an agreement with Nakano, a UK subsidiary of Mizkan, pursuant to which Nakano agreed to manufacture, package and supply on behalf of PFGL certain products in the *Sharwood's*, *Homepride* and *Loyd Grossman* ranges at the Bury St. Edmunds Site for a 15 year period (the ***Co-packaging Agreement***).

Under the Co-packaging Agreement, certain equipment sold to Nakano as part of the Disposal (the ***Co-pack Equipment***) is to be used exclusively to provide the services and products set out in the Co-packaging Agreement. Nakano agreed to certain restrictions in respect of the Co-pack Equipment and in relation to the manufacture of competing products at the Bury St. Edmunds Site.

The Co-packaging Agreement is governed by English law and each party gave a number of warranties and undertakings which are customary for a transaction of that nature. PFGL also gave specific warranties in relation to the licence held by PFGL to manufacture and supply *Loyd Grossman*-branded products.

(c) *Sweet Spreads and Jellies Business Disposal Agreement*

On 22 August 2012, Premier Foods entered into a conditional agreement with The Hain Celestial Group Inc. (***Hain***) to sell its Sweet Spreads and Jellies Business (the ***Sweet Spreads and Jellies Business Disposal Agreement***) for an aggregate consideration of at least £200 million, on a cash-free and debt-free basis. The consideration was satisfied by a cash payment of £170 million on closing and the issue of shares in Hain (the ***Consideration Shares***) worth at least £30 million as at closing, subject to various customary adjustments including normalised level of stock. The Consideration Shares have since then been sold for approximately £32 million, bringing the total aggregated proceeds for the disposal to £202 million.

The Sweet Spreads and Jellies Business Disposal Agreement is governed by English law and each party gave a number of warranties and indemnities which are customary for a transaction of that nature.

The aggregate liability of Premier Foods for breaches of the provisions of the Sweet Spreads and Jellies Disposal Agreement and the related tax covenant will not exceed £200 million. Claims in respect of the warranties given in the Sweet Spreads and Jellies Disposal Agreement must be brought within 24 months after the date of completion of the Sweet Spreads and Jellies Disposal Agreement.

Premier Foods has given non-compete undertakings regarding the products of the Sweet Spreads and Jellies Business and non-solicit undertakings regarding the business's employees, in each case for a period of 36 months following closing and with exceptions allowing the Group to continue to operate its retained businesses in the ordinary course. These undertakings are customary for a transaction of this nature.

Completion of the Sweet Spreads and Jellies Disposal Agreement took place on 27 October 2012.

As part of the disposal of the Sweet Spreads and Jellies Business, Premier Foods will provide (or procure the provision of) certain transitional services to the business for a period following closing.

(d) *Elephant Atta Ethnic Flour Agreement*

PFGL entered into an agreement with ABF Grain Products Limited (trading as Westmill Foods) for the sale of the business of the sale of products under the *Elephant Atta*, *Elephant Chakki Gold* and *Fassal* brands on 5 July 2012 (the ***Ethnic Flour Agreement***). The transaction signed

and closed on 5 July 2012. The cash consideration payable in connection with the disposal was £34 million.

PFGL gave customary warranties in the Ethnic Flour Agreement and its liability under the Ethnic Flour Agreement was capped at the total cash consideration payable by the purchaser. No amounts are recoverable by the purchaser until the aggregate warranty claims exceed £375,000 and only individual claims in excess of £100,000 are able to be made. Claims must generally be notified to PFGL within 19 months of 5 July 2012, and legal proceedings commenced within 6 months of the service of any such notice.

PFGL agreed to non-compete undertakings for a period of 3 years from 5 July 2012, and to non-solicitation undertakings for a period of 12 months from 5 July 2012. As part of the disposal certain transitional arrangements were entered into between PFGL and the purchaser which have now been substantially completed.

(e) *Vinegar and Sour Pickles Agreement*

PFGL entered into an agreement with Nakano and Nakano UK Holding Limited, both UK subsidiaries of Mizkan, for the sale of the Vinegar and Sour Pickles Businesses belonging to PFGL on 14 June 2012 (the ***Vinegar and Sour Pickles Agreement***). The transaction closed on 28 July 2012. The consideration payable under the Vinegar and Sour Pickles Agreement was £41 million, subject to adjustments pursuant to stock counts.

PFGL gave customary warranties in the Vinegar and Sour Pickles Agreement and its warranty liability was capped at half of the purchase price. No amounts are recoverable by the purchaser until the aggregate warranty claims exceed £500,000 and only individual claims in excess of £100,000 are able to be made. Claims must generally be brought within 12 months of the closing of the transaction, or 4 years for claims relating to tax warranties.

PFGL agreed to non-compete and non-solicit undertakings for a period of two years following the closing of the transaction. As part of the disposal, certain transitional arrangements were entered into between PFGL and the purchaser.

(f) *Irish Brands Agreement*

PFGL and a number of other Group companies (the ***Irish Brands Sellers***) entered into an agreement with the Boyne Valley Group for the sale of four Irish brands comprising *Chivers*, *Gateaux*, *McDonnells* and the *Erin* licence on 15 December 2011 (the ***Irish Brands Agreement***) pursuant to which the Irish Brands Sellers disposed of their business of manufacturing, marketing, selling and/or distributing of the Irish Brands to the Boyne Valley Group. The transaction closed on 23 January 2012. The total consideration payable under the Irish Brands Agreement was €41.4 million subject to a stock adjustment.

The Irish Brands Sellers gave customary warranties in the Irish Brands Agreement and their warranty liability was capped at the total consideration (as amended by the stock adjustment). Generally, no amounts are recoverable by the purchaser until the aggregate warranty claims exceed €600,000 and generally only individual claims in excess of €75,000 are able to be made. Claims (other than in relation to tax) must generally be brought within 18 months of the closing of the transaction.

PFGL agreed to non-compete and non-solicitation undertakings for a period of 2 years following the closing of the transaction. As part of the disposal, certain transitional and co-packing arrangements were entered into between PFGL and other Group companies and the purchaser.

(g) *RF Brookes and Avana Agreement*

PFGL entered into a business purchase agreement with 2 Sisters Food Group on 8 December 2011 (the ***RF Brookes and Avana Agreement***) pursuant to which PFGL agreed to dispose of

its business of manufacturing, marketing, selling and distribution relating to all products sold by the RF Brookes and Avana division. The transaction closed on 31 December 2011. The total consideration payable under the RF Brookes and Avana Agreement was £30 million, subject to a working capital adjustment.

PFGL gave customary warranties in the RF Brookes and Avana Agreement and its warranty liability was capped at the purchase price. Generally, no amounts are recoverable by the purchaser until the aggregate warranty claims exceed £300,000 and generally only individual claims in excess of £30,000 are able to be made. Claims must generally be brought within 15 months of the closing of the transaction.

PFGL agreed to non-compete and non-solicit undertakings for a period of 18 months following the closing of the transaction. As part of the disposal, certain transitional arrangements were entered into between PFGL and the purchaser which have now been substantially completed.

(h) *Canned Grocery Agreement*

PFGL entered into an agreement with Princes Limited for the sale of its East Anglian canned grocery operations on 8 February 2011 (the ***Canned Grocery Agreement***) pursuant to which PFGL disposed of its business of manufacturing, marketing, selling and/or distributing of vegetables, fruit, beans, soup, meat and pasta in cans or pouches to Princes Limited. The transaction closed on 23 July 2011. The total consideration of payable under the Canned Grocery Agreement was £182.2 million subject to a reduction of £4.6 million to take into account debtors and creditors retained by PFGL and a further adjustment for stock levels.

PFGL gave customary warranties in the Canned Grocery Agreement and its warranty liability was capped at the purchase price. Generally, no amounts are recoverable by the purchaser until the aggregate warranty claims exceed £1.5 million and generally only individual claims in excess of £150,000 are able to be made. Claims must generally be brought within 18 months of the closing of the transaction.

PFGL agreed to non-compete and non-solicit undertakings for a period of two years following the closing of the transaction. As part of the disposal, certain transitional arrangements were entered into between PFGL and the purchaser which have now been substantially completed.

(i) *Meat-free Disposal Agreement*

Marlow Foods Holdings Limited entered into an agreement with Exponent (Montreal) SPV 5 Limited for the sale of the entire issued share capital of Marlow Foods Limited on 24 January 2011 (the ***Meat-free Agreement***) pursuant to which Marlow Foods Holdings Limited disposed of its business of manufacturing and selling meat-free products to Exponent (Montreal) SPV 5 Limited. The transaction closed on 7 March 2011. The total consideration payable under the Meat-free Agreement was £205 million, subject to a working capital adjustment.

Marlow Foods Holdings Limited gave customary warranties in the Meat-free Agreement and its warranty liability was capped at the purchase price. No amounts are recoverable by the purchaser until the aggregate warranty claims exceed £2 million and only individual claims in excess of £150,000 are able to be made. Claims must generally be brought within 18 months of the closing of the transaction.

The Group agreed to non-compete and non-solicit undertakings for a period of two years following the closing of the transaction. As part of the disposal, certain transitional arrangements were entered into between the Group and the purchaser which have now been completed.

(j) *Relationship Agreement*

A summary of the principal terms of the Relationship Agreement between the Company and Warburg Pincus is set out in Section 6 of this Part VII.

(k) *Collar Option*

On 21 September 2012, PFGL entered into a zero premium, cash-settled, collar option with a hedge counterparty in relation to the Hain shares (the **Collar Option**) offered as part of the consideration for the disposal of the Sweet Spreads and Jellies Business to The Hain Celestial Group, Inc. This option has now been exercised. For more information on the Collar Option please see Section 7.1 of Part VI (Additional Information) of the Sweet Spreads and Jellies Business Circular, which has been incorporated by reference into this document as described in Section 12.1 of this Part VII.

(l) *Bank Facilities Agreement*

A £2.1 billion term and revolving credit facilities agreement was entered into on 3 December 2006 between, amongst others, the Company, PFIL (as **Obligors' Agent**), certain subsidiaries of the Company as borrowers and guarantors, certain financial institutions as lenders and Lloyds TSB Bank plc as facility agent and security trustee (the **Bank Facilities Agreement**). The Bank Facilities Agreement was amended by a supplemental agreement dated 5 December 2006, amended and restated by supplemental agreements dated 22 December 2006, 16 March 2007, 29 June 2007, 28 February 2008, 5 March 2009 and 23 December 2009, amended by a supplemental agreement dated 11 October 2010 and amended and restated by a supplemental agreement dated 30 March 2012.

The Bank Facilities Agreement was put in place to fund the acquisition of RHM Limited and its subsidiaries, refinance the Group's previous bank facilities and provide the Group with working capital.

The facilities under the Bank Facilities Agreement comprise (i) a term loan facility in an aggregate amount equal to approximately £919 million as at 30 March 2012 (which includes the interest rate swap portfolio as at 30 March 2012 which was restructured into an additional term loan in order to reduce the Group's exposure) of which £740 million is outstanding (the **Term Loan Facility**); and (ii) a multicurrency revolving credit facility in an aggregate amount equal to £500 million (the **Revolving Credit Facility**, and together with the Term Loan Facility, the **Facilities**). In March 2012, the Group announced that it had obtained consent from its banking syndicate, swap counterparties and pension schemes on a refinancing package under which, amongst other things, the Facilities would be extended to a new maturity date of 30 June 2016. The amortisation payment schedule of the Term Loan Facility was amended, with amortisations to occur semi-annually from 30 June 2014. Banking covenants of net debt/EBITDA and EBITDA/interest remain in place; they will continue to be tested biannually and have been re-set to reflect the Group's strategic plan. In addition, the trustees of the Group's pension schemes also agreed to defer deficit contribution payments (of c.£47 million per annum) until 1 January 2014 and there will be no increase in the agreed deficit contributions before 2016.

The borrowers to which loans are made under the Facilities agree to pay interest at a percentage rate per annum equal to an aggregate of LIBOR, a margin and the mandatory cost rate, if any. The margin remains at 2.25 per cent. until 31 December 2013, and then increases to 3.25 per cent. for the remainder of the term. PFIL has also entered into an amortising swap agreement with an initial nominal value of £745 million for the purpose of reducing the interest-rate exposure in respect of loans made under the Term Loan Facility.

The Bank Facilities Agreement provides for payment by the borrowers of certain fees in connection with the Facilities, including a commitment fee in respect of the Revolving Credit Facility.

The Bank Facilities Agreement contains certain mandatory prepayment events, including illegality, change of control of the Company, disposals and debt/equity issues. The Group is also required to realise proceeds (and prepay such proceeds) from certain planned disposals (with the ability to substitute other disposals for planned disposals (with 66% per cent. majority

lender consent) and/or equity issuance proceeds) equal to the Aggregate Proceeds by 30 June 2014. The Bank Facilities Agreement further stipulates that £264 million of the Aggregate Proceeds is required to be realised by 31 December 2013 and that £300 million of the Aggregate Proceeds is required to be realised by 31 March 2014.

The Obligors' Agent has the right to cancel the whole or any part of the aggregate outstanding commitments under the Facilities and a borrower is permitted to voluntarily prepay any outstanding loans.

The Bank Facilities Agreement contains covenants by, and restrictions on, the Company, the borrowers and the guarantors (including restrictions on acquisitions and disposals and the incurrence of further debt), as well as customary events of default, upon the occurrence of which the lenders may terminate the facilities and demand repayment.

The Facilities are guaranteed by certain material subsidiaries of the Company. Under the Bank Facilities Agreement, the Company is required to ensure that the guarantor group covers more than 85 per cent. of the consolidated EBITDA, gross tangible consolidated assets and consolidated turnover of the Group (respectively) and that each material subsidiary of the Company (whose EBITDA, assets or turnover exceeds five per cent. of the Group's) is a guarantor.

The Facilities under the Bank Facilities Agreement are also secured in favour of the lenders, who benefit from first ranking fixed charges granted to the security agent (for the benefit of the lenders) over certain real estate and intellectual property rights, floating charges over all of the assets of each of the material subsidiaries of the Company and share charges over the shares of the material subsidiaries of the Company. Any action which may be taken in relation to the above mentioned security is regulated by the Intercreditor Agreement (as summarised immediately below).

(m) *Intercreditor Agreement*

An intercreditor agreement was entered into on 16 March 2007 between, amongst others, the Company, certain subsidiaries of the Company as borrowers and guarantors under the Bank Facilities Agreement, certain financial institutions as lenders under the Bank Facilities Agreement, the trustees of the RHM Pension Scheme, the Premier Foods Pension Scheme and the Premier Grocery Products Pension Scheme (the **Pension Trustees**), and Lloyds TSB Bank plc as facility agent and security agent for the Secured Parties (as defined below) (the **Intercreditor Agreement**). The Intercreditor Agreement was amended and restated by supplemental agreements dated 5 March 2009 and 30 March 2012.

The secured parties under the Intercreditor Agreement refers to the lenders under the Bank Facilities Agreement (the **Secured Parties**), counterparties to those swap agreements that share in the security (up to a maximum of £35 million adjusted from 1 January 2013 to reflect the actual mark-to-market exposure) and the providers of ancillary facilities. The Secured Parties and the Pension Trustees together constitute the **Expanded Secured Parties**.

The Intercreditor Agreement provides that the debt of the Secured Parties and the liabilities of the relevant Group members under the RHM Pension Scheme, the Premier Foods Pension Scheme and the Premier Grocery Products Pension Scheme rank, and are secured, equally and rateably in all respects provided that the Pension Trustees may only claim from the security up to specified maximum amounts.

The Intercreditor Agreement sets out restrictions on enforcement of security and the order in which any proceeds of enforcements must be applied. The proceeds of enforcement must be applied (i) first, towards payment of fees, costs and expenses of the security agent; (ii) second, towards payment of fees, costs and expenses of the Expanded Secured Parties; and (iii) third, *pari passu* towards payment of the Secured Parties debt and liabilities under the RHM Pension

Scheme, the Premier Foods Pension Scheme and the Premier Grocery Products Pension Scheme.

The Intercreditor Agreement also contains provisions for the release of security in certain situations, including where an obligor under the Bank Facilities Agreement ceases to be a member of the Group or secured assets are disposed in accordance with the Bank Facilities Agreement.

(n) *Receivables Securitisation Programme*

A receivables securitisation agreement was entered into on 30 March 2012 between, among others, PFGL as originator, Premier Foods Collections Limited (a special purpose vehicle) (**PFCL**) as discount note issuer and certain bank conduits as discount note purchasers (the **Receivables Securitisation Agreement**). A definitions schedule and other ancillary documents were also entered into by PFGL on the same day.

Under the terms of the Receivables Securitisation Agreement, receivables are held by PFGL on bare trust for PFCL. PFCL provides funding to PFGL for the receivables by issuing discount notes to the discount note purchasers. There is currently a funding limit of £100 million which may be reduced at the request of PFGL (subject to a minimum commitment of £40 million).

A commitment fee is payable to the discount note purchasers on each weekly settlement date.

There are covenants in the Receivables Securitisation Agreement common to facilities of this type in relation to PFGL, PFCL and the receivables.

The Receivables Securitisation Agreement also contains provisions allowing the lenders to terminate the programme on the occurrence of certain termination events set out therein. One of these termination events is a breach of any of the financial covenants (which are the same as those in the Bank Facilities Agreement as at the date of the 30 March 2012 supplemental agreement). The Receivables Securitisation Agreement also contains cross-default provisions for financial indebtedness in excess of £5 million of PFGL or another member of the group.

(o) *Hedging Agreements*

The borrowers under the Bank Facilities Agreement borrow in pounds sterling at floating rates of interest. In order to mitigate the effect of movements in interest rates, PFIL has entered into an amortising interest rate swap with an initial value of £745 million designed to reduce the Group's level of exposure to floating rates. Pursuant to the terms of the Bank Facilities Agreement, hedging transactions relating to the interest rate liabilities in respect of the loans must not exceed 85 per cent. of the total commitments under the Bank Facilities Agreement nor mature after 30 June 2016. Any hedge counterparties under these swap agreements which accede to the Bank Facilities Agreement and the Intercreditor Agreement share in the same security package granted to lenders and the Pension Trustees.

(p) *Pensions Framework Agreement*

The Combined Premier Pension Schemes Framework Agreement (the **Framework Agreement**) was originally entered into on 5 March 2009 by Premier Foods and the trustees (the **Trustees**) of four pension schemes: the Premier Foods Pension Scheme (**PFPS**), the RHM Pension Scheme (**RHMPS**), the Premier Grocery Products Pension Scheme and the Premier Ambient Products Pension Scheme (the **Pension Schemes**).

The intention of the Framework Agreement was to provide greater certainty over future cash flows, and, in particular, those which may arise from any future increases in the funding deficit. The original Framework Agreement has subsequently been amended and as such it now records the agreement between Premier Foods and the Trustees in relation to the treatment of funding principles and deficit repayments in respect of **Future Valuations** (a phrase used to cover Pension Scheme valuations: (i) with an effective date of 2010 (the **2010 Valuations**); (ii) with

an effective date of 2013 (the **2013 Valuations**); and (iii) any other Pension Scheme valuation with an effective date before March 2016 in respect of the Premier Grocery Products Pension Scheme and April 2016 in the case of the PFPS and the RHMPS).

More particularly, the Framework Agreement states that:

- (A) the **Technical Provisions** (that is, the amount required to make provision for each Pension Scheme's accrued or past service liabilities) to be used in any Future Valuation will be consistent with those set out in RHMPS's Statement of Funding Principles dated 30 May 2008;
- (B) subject to what is said at (C) below in relation to PFPS and RHMPS:
 - (i) the Pension Schemes will use the Schedules of Contributions and Recovery Plans which are in place following the 2010 Valuations until such time as they are replaced (the **2010 Funding Documents**);
 - (ii) there will be no increase in the amount of the deficit contributions required to be paid by Premier Foods (or any other participating employer) pursuant to the 2010 Funding Documents as a result of any Future Valuation until July 2016 (subject to (iii) and (iv), below);
 - (iii) any increased funding deficit arising from a Future Valuation will, to the extent possible, be recovered at a constant level from July 2016 to March 2025 or the end of any 12 year recovery period arising from any Future Valuation with an effective date after December 2010 except that a "cash sweep" mechanism may be applied in February 2014 (with the amount of any "cash sweep" payments being applied to reduce the amount of funding deficit contributions due under the 2010 Funding Documents); and
 - (iv) if Premier Foods re-negotiates the terms of the Bank Facilities Agreement with effect from a date prior to July 2016 and then pays a dividend (or makes any other distribution) to ordinary shareholders prior to that date, Premier Foods agrees to pay to the Pensions Schemes an amount equal to the balance of the contributions which have been deferred under the terms of the Framework Agreement;
- (C) the parties agree that the Pension Schemes will receive no additional or accelerated funding, nor any increased or additional security, in connection with certain prescribed events (except as set out in the Framework Agreement) or in connection with any designated disposal in respect of which Premier Foods has reached agreement with a counterparty before July 2016 provided that the designated disposal satisfies certain requirements set out in the Bank Facilities Agreement (the proceeds will be used either to pay off debt in the Group or shall be reinvested in Premier's business or shall be used to maintain liquidity in the Group); and
- (D) the parties agree to co-operate and work in good faith in relation to determining the investment strategies for the Pension Schemes (although Premier Food's consent is not required in relation to the investment strategies).

(q) *Cadbury trade mark licence*

PFGL (the **Cadbury Licensee**) and Cadbury UK Limited (the **Cadbury Licensor**) entered into the Cadbury trade mark licence (the **Cadbury Licence**) on 29 January 2010. The Cadbury Licence had been extended on 25 October 2010 and, subject to its terms, will run for a period to expire not earlier than 30 June 2013.

The Cadbury Licence is an exclusive licence which covers specified territories including the United Kingdom and Ireland. It grants the right to use the *Cadbury*, *Cadbury Ellipse*, *Cadbury Mini Rolls* and *Flake* trade marks, as well as other relevant brands, on a variety of ambient cake

and baking mix products. At the time the Cadbury Licence was entered into, such products included, amongst others, *Cadbury Mini Rolls*, *Events*, *Cakes Bars* and *Celebration*. The Cadbury Licensee may propose any new products which contain Cadbury approved ingredients and which fall into the categories of ambient cakes (including celebration cakes, muffins, brownies and millionaire's shortbread but excluding *Jaffa Cake* products), flapjacks, ambient cake and pudding mixes, ambient hot and cold eating desserts and mini versions thereof be added to the Cadbury Licence.

The Cadbury Licence contains standard termination provisions including if the Cadbury Licensee undergoes a change a control to a chocolate confectionary manufacturer with a market share greater than three per cent. of the chocolate confectionary market in the United Kingdom and Ireland.

(r) *Loyd Grossman trade mark licence*

The Loyd Grossman trade mark licence (the ***Loyd Grossman Licence***) was entered into on 10 October 2006 between Loyd Grossman and Chivers Hartley Limited (assigned to PFGL in 2009 as part of an internal corporate reorganisation) and has a term of 20 years expiring on 10 October 2026.

The Loyd Grossman Licence is an exclusive worldwide licence which covers the UK trade mark Loyd Grossman and the trade name Loyd Grossman. The products included are sauces, dressing, accompaniments and toppings for pasta, rice, noodles, marinades, oils, salad dressings, soups and pizza. The Loyd Grossman Licence also covers secondary products such as prepared, dried, canned, cooked, frozen fruit and vegetables, pickles, chutney, relishes, condiments, spices, flavourings, salad cream and mayonnaise, prepared meals and snacks, mashed potato and potato based products, spreads, honey, marmalade, jams, preserves and preserves, jelly, mincemeat, tea, hot beverages and milk.

The Loyd Grossman Licence contains standard termination provisions.

7.2 ***Business***

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by, or on behalf of, the Business either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Business; or (ii) at any time, which contain any provisions under which any member of the Business has any obligation or entitlement which is, or may be, material to the Business (as relevant) as at the date of this document.

8. **LITIGATION AND OTHER PROCEEDINGS**

Continuing Group

- 8.1 There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings being pending or threatened) which during the last twelve months prior to the date of this document may have, or in the recent past have had, a significant effect on the Company and/or Continuing Group's financial position or profitability.

Business

- 8.2 There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings being pending or threatened) which during the last twelve months prior to the date of this document may have, or in the recent past have had, a significant effect on the financial position or profitability of the Business.

9. WORKING CAPITAL

The Company is of the opinion that, taking into account the bank facilities available to the Continuing Group, the working capital available to the Continuing Group is sufficient for its present requirements, that is, for at least the twelve months following the date of publication of this document.

10. SIGNIFICANT CHANGE

Continuing Group

- 10.1 Apart from as disclosed in Sections 10.2 and 10.3 below, there has been no significant change in the financial or trading position of the Continuing Group since 30 June 2012, being the date to which the Group's latest published unaudited interim financial information has been prepared.
- 10.2 On 23 August 2012, the Company announced that it had entered into a conditional agreement with Hain Celestial Group Inc. to sell the Sweet Spreads and Jellies Business on a cash and debt free basis on terms more particularly described in Section 7.1 of this Part VII, which transaction completed on 27 October 2012.
- 10.3 The effect of the Sweet Spreads and Jellies Disposal on the net assets of the Continuing Group is set out in Part V (Unaudited Pro Forma Statement of Net Assets) of this document. The Sweet Spreads and Jellies Disposal is expected to be initially dilutive to earnings. This statement does not constitute a profit forecast and should not be interpreted to mean that the Continuing Group's earnings per share for 2012 (whether including or excluding the Sweet Spreads and Jellies Business) will necessarily match, or be greater or less than, historical published earnings per share.

Business

- 10.4 There has been no significant change in the financial or trading position of the Business since 30 June 2012, being the date to which the most recent financial information on the Business, presented in Part IV (Financial Information on the Business) of this document, has been prepared.

11. CONSENTS

- 11.1 Credit Suisse has given, and has not withdrawn, its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.
- 11.2 PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion in this document of its report on the Unaudited Pro Forma Statement of Net Assets in Part VI (Report on the Unaudited Pro Forma Statement of Net Assets) of this document, in the form and context in which it appears.

12. INFORMATION INCORPORATED BY REFERENCE

- 12.1 The following information has been incorporated into this document by reference:

<i>Information incorporated by reference</i>	<i>This document</i>	<i>Page number</i>
The information in Section A of Part V (Unaudited Pro Forma Statement of Net Assets) of the Sweet Spreads and Jellies Business Circular	Part V	24
The description of the Collar Option in Part VI (Additional Information) of the Sweet Spreads and Jellies Business Circular	Part VII	35

- 12.2 The information referred to in Section 12.1 of this Part VII can be accessed by Shareholders at www.premierfoods.co.uk.
- 12.3 A copy of the Sweet Spreads and Jellies Business Circular has been lodged with the UK Listing Authority.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of the Company at Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire AL1 2RE and at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the General Meeting:

- 13.1 the Memorandum and Articles of Association of the Company;
- 13.2 the consolidated audited accounts of the Company and its subsidiary undertakings for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011;
- 13.3 the consolidated unaudited interim financial information of the Company and its subsidiary undertakings for the six months ended 30 June 2012;
- 13.4 PricewaterhouseCoopers LLP's report on the unaudited pro forma statement of net assets;
- 13.5 the written consent letters referred to in Section 11 of this Part VII;
- 13.6 this document and the Form of Proxy; and
- 13.7 the Disposal Agreement.

PART VIII

DEFINITIONS

The following terms have the following meanings throughout this document unless the context otherwise requires:

Aggregate Proceeds	the targeted proceeds from certain planned disposals of £330 million that the Group is required to achieve by 30 June 2014 under the terms of the refinancing arrangements agreed in March 2012;
Bank Facilities Agreement	the £2.1 billion term and revolving credit facilities agreement entered into on 3 December 2006 between, amongst others, the Company, PFIL and certain financial institutions as lenders as further described in Section 7.1 of Part VII (Additional Information);
Board or Directors	the board of directors of the Company;
Bury St. Edmunds Site	the freehold property at Mildenhall road in Bury St. Edmunds at which the Business is based;
Business or Sweet Pickles and Table Sauces Business	the business of manufacturing and selling sweet pickles, relish and table sauces at the Bury St. Edmunds Site;
Companies Acts	has the meaning given in Section 2 of the Companies Act 2006;
Completion	the completion of the Disposal in accordance with the terms of the Disposal Agreement;
Continuing Group	Premier Foods and its subsidiaries and subsidiary undertakings, excluding the Business;
Credit Suisse	Credit Suisse Securities (Europe) Limited;
CREST	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo Limited in accordance with Uncertificated Securities Regulations 2001 (SI 2001/3755);
CREST Manual	the manual, as amended from time to time, produced by CRESTCo describing the CREST system and supplied by CRESTCo Limited to users and participants thereof;
CREST Proxy Instruction	the instruction whereby CREST members send a CREST message appointing a proxy for the meeting and instructing the proxy on how to vote;
Disclosure Rules	the Disclosure and Transparency Rules made by the FSA pursuant to FSMA governing the disclosure of information by listed companies;
Disposal	the proposed disposal of the Business by the Seller to the Purchaser pursuant to the Disposal Agreement and the other agreements described in Section 9 of Part III (Principal Terms of the Disposal) of this document;

Disposal Agreement	the conditional business sale and purchase agreement dated 30 October 2012 between the Company, the Seller, the Purchaser and the Purchaser's Guarantor, described in Part III (Principal Terms of the Disposal) of this document;
Disposal Resolution	the ordinary resolution to approve the Disposal set out in the Notice of General Meeting;
EBITDA	earnings before interest, tax, depreciation and amortisation;
EU	the European Union;
EURIBOR	Euro Interbank Offered Rate;
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;
FSA	the Financial Services Authority of the United Kingdom;
FSMA	the Financial Services and Markets Act 2000, as amended;
General Meeting	the General Meeting of the Company convened by the Notice of General Meeting to be held at the Company's offices, Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE on 18 December 2012 at 9.00 a.m. or any reconvened meeting following any adjournment thereof;
Group	Premier Foods and its subsidiaries and subsidiary undertakings (including the Business);
IFRS	International Financial Reporting Standards as adopted by the European Union;
LIBOR	London Interbank Offered Rate;
Listing Rules	the Listing Rules made by the FSA pursuant to FSMA governing, <i>inter alia</i> , admission of securities to the Official List of the FSA;
Mizkan	the Mizkan Group, a Japanese privately held international manufacturer operating in the liquid condiment sector;
Non Branded	products manufactured by the Group on behalf of a retailer that carry such retailer's brand or label;
Non-executive Directors	being each of David Beever, Ian Krieger, Jennifer Laing, Ian McHoul, Charles Miller Smith and David Wild, respectively;
Non-Planned Disposals	disposals by the Group other than the Planned Disposals;
Notice of General Meeting	the notice of the General Meeting set out at the end of this document;
Ordinary Shares	ordinary shares of £0.10 each in the capital of the Company;
PFIL	Premier Foods Investments Limited, a subsidiary of the Company;
Planned Disposals	certain planned disposals that the Group is required to make to meet the Aggregate Proceeds target required under its refinancing arrangements agreed in March 2012, such disposals not requiring the consent of the lenders under the terms of the Bank Facilities Agreement;

Power Brands	each of the <i>Ambrosia</i> , <i>Batchelors</i> , <i>Bisto</i> , <i>Hovis</i> , <i>Loyd Grossman</i> , <i>Mr. Kipling</i> , <i>OXO</i> and <i>Sharwood's</i> brands;
Premier Foods or Company	Premier Foods plc whose registered office is at Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE;
Purchase Price	£92.5 million payable by the Purchaser to the Seller in consideration for the Disposal;
Purchaser or Nakano	Nakano UK Vinegar Limited, a UK subsidiary of Mizkan;
Purchaser's Guarantor	Nakano UK Holding Limited, a UK subsidiary of Mizkan;
PwC	PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH;
Registrar	Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
Relationship Agreement	the relationship agreement between the Company and Warburg Pincus dated 5 March 2009, as further detailed in Section 6 of Part VII (Additional Information) of this document;
Seller or PFGL	Premier Foods Group Limited;
Shareholders	holders of Ordinary Shares and <i>Shareholder</i> shall be construed accordingly;
Sweet Spreads and Jellies Business	the business of the manufacture and sale of sweet spreads and jellies based at Histon, Cambridgeshire;
Sweet Spreads and Jellies Business Circular	the circular relating to the disposal of the Sweet Spreads and Jellies Business;
Sweet Spreads and Jellies Disposal	the disposal of the Sweet Spreads and Jellies Business pursuant to the Sweet Spreads and Jellies Disposal Agreement;
Sweet Spreads and Jellies Disposal Agreement	the sale and purchase agreement dated 22 August 2012 dealing with the disposal of the Sweet Spreads and Jellies Business by the Seller to Hain Celestial Group Inc.;
UK	the United Kingdom;
Vinegar and Sour Pickles Business	the business of manufacturing and selling vinegar and sour pickles; and
Warburg Pincus	a private equity fund managed by Warburg Pincus LLC.

PREMIER FOODS PLC

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Premier Foods plc (the *Company*) will be held at the Company's offices, Premier House, Centrium Business Park, Griffiths Way, St. Albans, Hertfordshire, AL1 2RE on 18 December 2012 at 9.00 a.m. to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

Ordinary Resolution

THAT the disposal of the Business (the *Disposal*), as described in the circular to shareholders of the Company dated 30 November 2012 of which this Notice forms part (the *Circular*) on the terms and subject to the conditions of a business sale and purchase agreement dated 30 October 2012 between Premier Foods Group Limited, the Company, Nakano UK Vinegar Limited and Nakano UK Holding Limited (a summary of which is set out in Part III of the Circular), is hereby approved for the purposes of Chapter 10 of the Listing Rules of the Financial Services Authority and that each and any of the directors and the secretary of the Company (or a duly authorised committee of the directors) are hereby authorised to conclude and implement the Disposal in accordance with such terms and conditions and to make such amendments, modifications, variations, waivers and extensions of any of the terms and conditions of the Disposal as the directors, secretary or any such committee of the directors may deem necessary, expedient or appropriate (provided such amendments, modifications, variations, waivers and extensions are not of a material nature) and to any documents and arrangements connected with the Disposal as such persons may in their absolute discretion think necessary, expedient, appropriate or desirable.

By order of the Board

Andrew McDonald
General Counsel and Company Secretary

Registered Office:

Premier House
Centrium Business Park
Griffiths Way
St. Albans
Hertfordshire
AL1 2RE

Registered in England and Wales
Company No. 05160050

Notes:

1. Attendance and voting

Please bring with you the accompanying Admission Card. It will facilitate your right to attend, speak and vote, and will speed your admission. Please keep it until the end of the meeting. The meeting will commence at 9.00 a.m.

Pursuant to Rule 6.1.12 (2) of the Disclosure and Transparency Rules, as at 29 November 2012 (being the last practicable date prior to the publication of this notice), the Company had in issue 239,805,961 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 29 November 2012 are 239,805,961.

Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (S.I. 2001/3755), the Company specifies that only those shareholders who are registered on the Company's share register at 6.00 p.m. on 14 December 2012 (the *Specified Time*) shall be entitled to attend or vote at the General Meeting in respect of the ordinary shares in the capital of the Company registered in their names at that time. Changes to entries on the Register for certified and uncertified shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the meeting. Should the General Meeting be adjourned, members to be entitled to attend must have been entered on the Register by 6.00 p.m. two days prior to the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in such notice.

2. Corporate Representatives

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.

3. Proxies

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by corporate representative; or
- appointing a proxy to attend and vote on their behalf, using the Form of Proxy accompanying this notice of General Meeting or electronically via www.sharevote.co.uk or (for shares held through CREST) via the CREST proxy voting system.

Whether or not you intend to attend the General Meeting, you are requested to complete the enclosed Form of Proxy and return it to the Company's registrar, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, at the following address: Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and in any event so as to be received no later than 9.00 a.m. on 14 December 2012 or, in the event that the meeting is adjourned, not less than 48 hours (excluding any part of the day that is not a working day) before the time for holding any adjourned meeting. Any Form of Proxy received after this time will be void.

The completion and submission of a Form of Proxy will not prevent you from attending and voting in person if you so wish.

If you do not wish, or are unable, to attend, you may appoint either the Chairman of the meeting or one or more persons of your choice to exercise all or any of your rights to attend and to speak and vote at the meeting. That person is known as a "proxy". You are advised to use the enclosed Form of Proxy to appoint a proxy.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, additional proxy forms may be obtained by contacting the registrar, Equiniti, on their helpline 0871 384 2740 (or +44 (0)121 415 7191 if calling from outside the UK) or you may photocopy the Form of Proxy enclosed with this notice. Calls to 0871 384 2740 cost 8p per minute from a BT landline, other providers' costs may vary. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday.

A proxy need not be a shareholder and can be either an individual or a body corporate. At the meeting, the proxy can act for the member he or she represents. The proxy is valid for any adjournment of the meeting. A proxy may vote on any other business, which may properly come before the meeting, as that person thinks fit. If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they see fit. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give you instructions directly to them.

The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise the number of votes proportionate to the number of proxies appointed.

If a proxy is instructed to abstain from voting, that person is directed not to vote on the shareholder's behalf and the shares which are the subject of the proxy appointment will not be counted in computing the required majority.

Please mark the appropriate box alongside the resolution on the Form of Proxy to indicate whether you wish your votes to be cast "for", or "against", or whether you wish to withhold your vote from, the resolution. Unless you give specific instructions on how to vote on the resolution, your proxy will be able, at his or her discretion, either to vote "for" or "against" the resolution or to withhold from voting.

Shareholders who return their Forms of Proxy with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a Form of Proxy is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the Secretary or any other director which do not contain a direction how to vote will be used where possible to support the resolution proposed in this notice.

Before posting the Form of Proxy to the registrar, please check that you have signed it. In the case of joint holders, any of you may sign it.

4. Online Proxy Voting

Shareholders can register the appointment of a proxy electronically by logging on to www.sharevote.co.uk and registering their proxy vote by the latest time(s) for receipt of proxy appointments specified in the notice of meeting for this purpose. To use this service, shareholders will need their Voting ID, Task ID and Shareholder Reference Number, printed on the accompanying Form of Proxy. Full details of the procedure are given on the website.

5. CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (*EUI*) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (CREST participant RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting for this purpose. The time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or (a) voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those Sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com/CREST).

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Information Rights

A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right, or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies above do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.

7. Electronic Communications

Any website or electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided either in this notice of General Meeting or in any related documents (including the Circular and the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

8. Shareholder Questions

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

9. Additional Information

A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found at www.premierfoods.co.uk.

