



Food brands

Food Europe



Cuisine de France offers the consumer traditional French breads, pastries and also a wide range of continental-style breads, confectionery and hot savoury items. Cuisine de France provides a complete bake-off solution primarily to the retail industry, as well as staff training and category management to enable the timely delivery of ready-to-bake products.



Delice de France supplies high quality continental breads, viennoiserie, savoury and confectionery products, including hospitality goods, primarily to the foodservice and catering industry. The business offers premium solutions tailored to meet future customer and consumer needs. It is the UK's leading provider of innovative and authentic continental bakery products to the foodservice trade.



Pierre's is an established market leading brand providing a hot food solution to the retail and foodservice markets in Ireland. Pierre's supplies a versatile range of products for all channels and eating occasions.



Carroll Cuisine is one of the leading suppliers of chilled hams, sandwich fillings, ready meals and speciality products to both the foodservice and retail markets in Ireland.



Coup de Pates is the principal brand of Groupe Hubert, a leading developer and distributor of bakery products to the bakery, craft and foodservice sectors in France. Groupe Hubert offers its customers over 700 bread, viennoiserie, patisserie, traiteur and reception products.

Food North America



Otis Spunkmeyer is a leading, premium fresh baked goods brand in its US market categories. An iconic brand, it has strong recognition and awareness across a national customer base in the foodservice and retail channels.



La Brea Bakery is widely credited as the pioneer and leader of the artisan bread movement in America. La Brea Bakery offers a wide assortment of rustic breads ranging from baguettes and loaves to sandwich and dinner rolls.



Food North America

	2007 €'000	2006 €'000	Change
Revenue	<u>369,131</u>	<u>139,072</u>	<u>165.4%</u>
Operating profit*	<u>41,745</u>	<u>16,631</u>	<u>151%</u>

* before intangible amortisation and exceptional items

The Group has made substantial investment in developing its Lifestyle Foods business in the North American value-added bakery market through acquisition and capital investment in recent years. This has created an operation of substantial scale with iconic brands and a national reach in the USA.

Category leadership has been established in artisan breads and sweet baked goods. The acquisition of La Brea Bakery in 2001 enabled the Group to grow category leadership nationally in artisan bread while the Otis Spunkmeyer acquisition gives leadership in sweet baked goods.

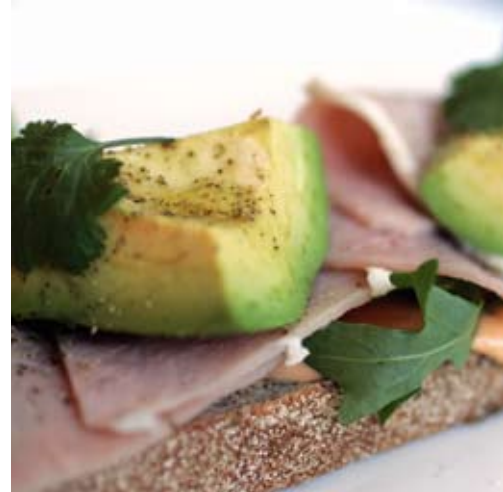
Revenues in the US have now reached an annualised \$600m or 5 per cent of the \$12bn value-added bakery market. In the year under review, revenue grew by 165.4 per cent to €369.1m, including an excellent contribution from Otis Spunkmeyer of €220.1m for the nine month period since acquisition. Operating profits* in North America were up 151.0 per cent at €41.7m for the year. Otis Spunkmeyer contributed a strong €22.1m, making the acquisition earnings accretive for the Group in its first nine months.

Underlying growth in La Brea Bakery continued at a high rate with revenues increasing by 15.2 per cent

to €149.0m while operating profits rose by 17.8 per cent to €19.6m after allowing for foreign currency fluctuations. Innovative product development based on lifestyle trends and growing brand awareness continue to drive superior growth in this dynamic category. This, together with ongoing capital investment in the Group's unique bakery technology, enables La Brea to maximise opportunities arising from growth trends favourable to freshly baked artisan bread.

The acquisition of Otis Spunkmeyer has been an excellent strategic fit, giving the Group new levels of reach and scale in North America by virtue of





Food North America

its extensive US production capabilities and distribution infrastructure. In North America, the Lifestyle Foods business has 2,368 employees, 53 direct store delivery (“DSD”) points and seven manufacturing facilities.

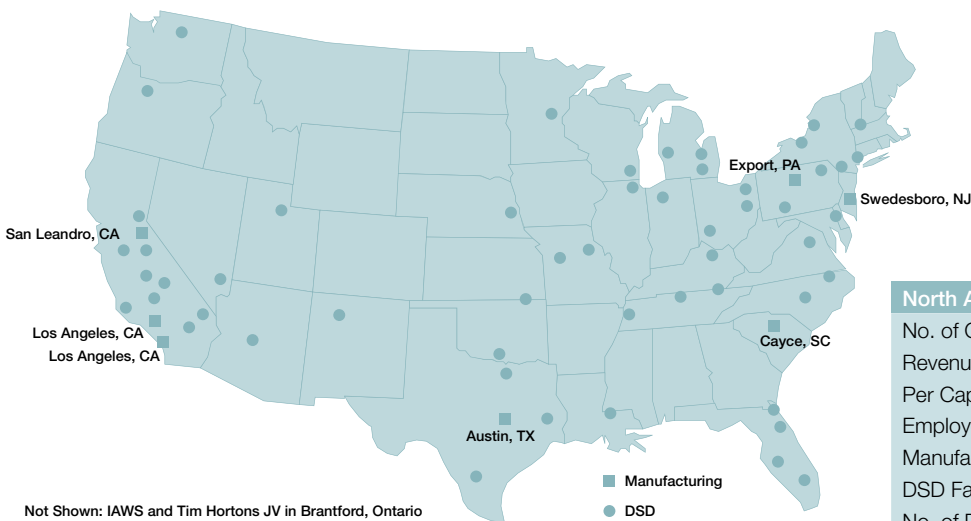
These extensive infrastructure and production capabilities service over 300 DSD routes and over 70,000 DSD customers.

The Lifestyle Foods business has well invested unique bakery assets which provide a substantial platform for growth. The Group now has strength and depth in both the foodservice and retail markets. Foodservice and retail have an equal share of the US value-added bakery market.

The ongoing investment programme in North America has given the Group an

unrivalled route to market with category leadership, superior branded concepts, high quality products and unique supply chain capabilities. Our business model conveys substantial benefits over costs for customers which, together with a proven management team, positions the Group favourably for further development and growth in North America.

Food North America locations



North American Market	
No. of Consumers	296m
Revenue	\$600m (pro forma)
Per Capita Revenue	\$2
Employees	2,368
Manufacturing	7
DSD Facilities	53
No. of DSD Routes	> 300
DSD Customers	> 70,000





Food Europe

	2007 €'000	2006 €'000	Change
Revenue	<u>649,125</u>	<u>601,362</u>	<u>7.9%</u>
Operating profit*	<u>66,576</u>	<u>60,494</u>	<u>10.1%</u>

* before intangible amortisation and exceptional items

Revenue in Food Europe which comprises the Lifestyle Foods businesses in Ireland, the UK and France, increased to €649.1m. This reflects revenue growth of 7.9 per cent (underlying revenue growth of 7.3 per cent). Operating profit* in Food Europe increased by 10.1 per cent to €66.6m.

The Group estimates that there is a €90bn bakery market in Western Europe within which there is a €13bn

value-added bakery market. The Lifestyle Foods business has an extensive product range in the value-added bakery market. The Group estimates that the value-added bakery market is growing at a rate of 4.5 per cent. In Europe, the Lifestyle Foods business has 2,170 employees, 23 DSD points and three manufacturing facilities. This extensive infrastructure and production capability services over 300 DSD routes and over 50,000 DSD customers.

The Group has considerable strength and depth in both the foodservice and retail markets. In retail, the Lifestyle Foods business offers value-added concepts through focusing on space profitability and differentiated offerings that satisfy consumers' continuous demand for high quality, appealing and convenient products. In foodservice, the Group offers solutions to our customers to maximise their profitability through focusing on menus, lower staff costs, less baking time and minimal product waste.





Food Europe

In both retail and foodservice, the Group offers an excellent value proposition which provides our customers with substantial benefits over costs. The Lifestyle

Foods business continual focus and investment in concept and product development will ensure our value proposition to customers continues. This focus and investment on concept and product development is the primary driver for growth.

on the site and €53m has been invested in the year under review. The commissioning of the facility will commence at the end of the current financial year and the benefits from this investment will be delivered from 2009 onwards.

Food Europe locations



To further underpin this growth the Lifestyle Foods business is currently constructing a new world class facility at Grangecastle, Dublin, Ireland. Construction work has commenced

The Group has invested in food infrastructure, production capabilities and a proven management team, which will underpin its successful business model and its future growth.

Food Europe Market	
No. of Consumers	126.4m
Revenue	€649m
Per Capita Revenue	€5
Employees	2,170
Manufacturing	3
DSD Facilities	23
No. of DSD Routes	> 300
DSD Customers	> 50,000