

1 August 2012

**Cranswick plc**  
**("Cranswick" or "the Company" or "the Group")**

## **First quarter interim management statement**

Cranswick, the UK food producer, today provides an update on trading for the period from 1 April 2012 to 31 July 2012.

### **Current trading**

The current financial year has started in line with the Board's expectations.

Sales for the three months to 30 June 2012 increased by 7.4 per cent to £209 million. During the period, all categories delivered robust growth and there were strong gains in sausage, bacon and continental products.

There were further modest increases in pig prices during the period, albeit they remain below the peak of last summer. The impact has been absorbed through increased volumes and continued operating efficiencies.

As announced on 2 July 2012, the Company acquired the entire issued share capital of Kingston Foods Limited ("Kingston") on 29 June 2012. Kingston is a producer of premium cooked and roasted meat products and at 27 January 2012 had gross assets of £3.7 million. The acquisition of Kingston strengthens Cranswick's cooked meat production capabilities, further diversifies its product range in a growing market and broadens the Group's customer base.

### **Financial position**

Net debt stood at £38 million at the quarter-end, compared to £22 million at 31 March 2012. This increase reflects a seasonal uplift in working capital and cash spent on the acquisition of Kingston. Net debt was however well below the £55 million reported at the same time last year. The Group is in a sound financial position, with committed, unsecured facilities of £100 million which provide generous headroom going forward.

### **Board change**

As announced on 21 May 2012, Bernard Hoggarth will stand down from his position as Chief Executive Officer at today's Annual General Meeting. He will continue with Cranswick in the role of Commercial Director on a part time basis. Adam Couch will succeed Bernard as Chief Executive. Adam, who has been with the business for over 20 years, was appointed to the Board in 2003 and became Chief Operating Officer in May 2011 as part of the Board's strategy for succession planning.

### **Outlook**

With experienced management at all levels of the Group, a strong range of products, a well invested asset base and a robust financial position, the Board, whilst mindful of the continuing challenges facing the UK consumer, remains confident in the continued long term success and development of the business.