

7 April 2014

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

**Trading statement for the year ended 31 March 2014**

Cranswick plc issues the following update on trading for the year ended 31 March 2014. Cranswick expects to announce its full year results on 19 May 2014.

**Current trading**

**Underlying sales increased by 12 per cent** in the year ended 31 March 2014.

**Total sales for the year were 13 per cent higher** after taking into account the contribution from acquisitions. Strong growth was seen across most product categories, particularly fresh pork, bacon and cooked meats. Pastry sales also continue to grow strongly following the successful launch of several new product ranges during the year. Export sales were well ahead of the levels reported in the previous financial year, reflecting robust demand for pork products in Far Eastern markets.

The Group invested in excess of £20 million in its infrastructure during the year ended 31 March 2014, allowing it to further improve operational efficiencies and to launch new product ranges. The Group's new gourmet pastry facility at Malton, North Yorkshire, was successfully commissioned earlier in the financial year, albeit with higher than anticipated start-up costs and work is ongoing on the extension to the Milton Keynes cooked meats facility which will add substantial capacity and deliver further efficiency gains.

As previously reported, the record input prices seen during the year impacted operating margins<sup>#</sup>. Despite some recovery as the year progressed, operating margins<sup>#</sup> will, as expected, be slightly below those achieved in the previous financial year.

**Financial position**

Notwithstanding the significant capital investment programme and the acquisition of the pig breeding and rearing activities earlier in the year, strong cash generation from operating activities through the final quarter will result in year-end net debt being substantially lower than at the end of quarter three and below the level reported at the last financial year end.

The Group recently extended the term and increased the size of its banking facility, leaving the business in a sound financial position, with committed, unsecured facilities of £120 million which provide generous headroom through to July 2018.

**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 remains confident in the continued long term success and development of the business.

<sup>#</sup> excluding net IAS 41 valuation movement on biological assets in the current financial year and non-recurring items in both the current and prior financial years