

NEWS RELEASE

PRINCES ENTERS INTO CONDITIONAL AGREEMENT TO ACQUIRE PREMIER FOODS' CANNING OPERATIONS

Princes has entered into a conditional agreement to acquire the canning operations of Premier Foods plc to further develop its interests in the ambient food category.

Under the terms of the agreement, which is subject to Premier Foods' shareholder and regulatory approval, Premier Foods' sites at Long Sutton and Wisbech would transfer to Princes' ownership. The sites collectively employ over 1,000 people.

The Crosse & Blackwell, Fray Bentos and Farrow's brands would also be acquired by Princes. A number of Premier Foods' brands, including Branston and Batchelors would remain under Premier Foods' ownership but be licensed to Princes on a long-term arrangement for the production of specific products at Long Sutton and Wisbech. These include Branston baked beans and Batchelors canned soups.

The proposed acquisition expands Princes' branded portfolio in the canned foods sector and increases the company's range of customer own label and branded products.

The products produced at Long Sutton and Wisbech are sold to customers in the retail, food service and industrial sectors.

Following completion of the acquisition, Princes would have annual revenues approaching £1.5bn, 4,500 employees, 13 food and drink production sites and a portfolio of leading brands.

Ken Critchley, Princes Managing Director, said: "This proposed acquisition is an excellent strategic fit for our group and would enable us to further grow our business in the UK and continental Europe by offering our customers a broader range of ambient food products and brands."

ENDS

Notes to editors:

For further information about the Princes Group visit the company's corporate website at www.princesgroup.com.

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