



Hilton Food Group plc

2<sup>nd</sup> December 2013

### **Update regarding Western Europe**

Hilton Food Group PLC ("Hilton" or the "Group"), Europe's leading specialist international meat packing business provides the following supplementary update regarding its operations in Western Europe.

### **New Agreement with Tesco in the UK**

The Board is pleased to announce that Hilton has signed a new agreement with Tesco PLC ("Tesco"), the UK's market leading retailer, for the increased supply of packed fresh meat products in the UK from its dedicated facility near Huntingdon.

Under the new agreement, which runs until February 2019, Hilton will make an additional investment to raise volumes and introduce new state of the art technology within the facility. The agreement means a substantial increase in volumes supplied to Tesco from the Huntingdon facility, the full benefit of which will be obtained in 2015 and subsequent years.

### **Update on Trading in Western Europe (ex UK)**

Excluding the UK, which will benefit from the new agreement detailed above, the Board has concluded that a slightly lower growth rate is now more likely for our Western Europe (ex UK) business segment in 2014, reflecting macro-economic and consumer weakness in some countries. The Group continues to invest in new facilities where appropriate and will be investing to upgrade the Swedish operation, which will deliver value to the Swedish consumer.

### **Summary**

We expect the impact of consumer weakness in Western Europe to be wholly offset in 2014 by the positive effect of our new UK agreement with Tesco. The full benefit of this agreement is expected in subsequent years, once the upgrade of the Huntingdon facility has been completed. The additional requirement for capital expenditure in the UK and Sweden is estimated to total approximately £30m, to be financed primarily from banking facilities and also from internal cash resources.

Commenting, Robert Watson, CEO of Hilton Food Group said:

“This is an exciting development for Hilton. We are proud to have formed a strong, long-lasting partnership with Tesco and we will continue to work closely with them to supply products of the highest quality to their customers.”

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