



McCormick & Company Confirms Possible Offer for Premier Foods plc

March 23, 2016

SPRING, Md., March 23, 2016 (PRNewswire) – McCormick & Company, Incorporated (NYSE: MCC) ("McCormick"), a global leader in flavor, notes the recent announcement by Premier Foods plc ("Premier Foods") and confirms that it has approached the Board of Premier Foods regarding a possible all cash offer for Premier Foods of 60 pence per Premier Foods share.

Background

On February 12, 2016, McCormick made a detailed proposal to acquire the entire issued share capital of Premier Foods for 52 pence per Premier Foods share. This proposal was rejected by the Board of Premier Foods (pending March 22, 2016).

The Revised Proposal reflects a substantial increase in the value of Premier Foods shares price metrics, in particular a premium of:

- 50 percent to the pre-announcement Premier Foods share price of 31.5 pence, and
- 55 percent to the 12 month volume weighted average Premier Foods share price of 38.6 pence for the 12 month period ending March 22, 2016.

In addition, the implied enterprise value of 10.3x per share 2015 EBITDA (company financials) with recent significant UK food transactions.

McCormick believes that as all cash offer of this level should be well received by Premier Foods' shareholders, employees, pensioners and other stakeholders, and would provide Premier Foods' shareholders with an attractive premium combined with the certainty of cash value now.

Strategic rationale for the Revised Proposal

An acquisition of Premier Foods, one of the leading branded food companies in the United Kingdom, would be consistent with McCormick's long-term strategy and has the potential to create value for McCormick shareholders. Premier Foods offers seasonings, dairy and stock cubes, cooking and pasta sauces, dessert mixes and sweet treats under brand names including Oxo, Bisto, On the Border and Mr. Kipling. Strategic considerations for such an acquisition would include the following:

- Add a portfolio of iconic, household-name brands which complement McCormick's product range and expertise;
- Increase significantly McCormick's presence in a large growing retail market;
- Leverage McCormick's innovation and marketing capabilities and strong balance sheet to improve on the execution of Premier Foods' strategy;
- Drive Premier Foods' presence in international markets through McCormick's global reach, and
- Realize synergies to enable further investment in Premier Foods' iconic British brands to drive growth.

McCormick is a market leader in the global health & care category and has a 30-year track record in the UK across the food industry. Through its Schwab brand in retail and foodservice and through its business to business relationships with quick service restaurants and other consumer food companies, McCormick's management team has a track record of successfully executing acquisition opportunities in adjacent categories to developed and emerging markets, and increasing the performance of the brands that it acquires. The Board of McCormick expects that an acquisition of Premier Foods would be consistent with McCormick's long-term strategy. Any transaction would be financed from McCormick's existing resources and new debt facilities.

Code considerations

In accordance with Rule 3.04 of the Code, McCormick is required, by no later than 5.00 p.m., on April 20, 2016, to either announce a firm intention to make an offer for Premier Foods in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement in relation to Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.8(c) of the Code.

Pursuant to Rule 2.5 of the Code, McCormick reserves the right to: (i) vary the form and/or mix of the consideration; and (ii) amend the terms of the Revised Proposal (including making the offer at a lower value) (a) with the recommendation or consent of the Board of Premier Foods, (b) if Premier Foods announces, declines or pays any dividend or any other distribution to shareholders, in which case McCormick reserves the right to make an equivalent reduction in its offer price, (c) if a third party announces a firm intention to make an offer for Premier Foods at a lower price than the Revised Proposal, or (d) following the announcement by Premier Foods of a whitewash transaction pursuant to the Code.

There is no certainty that a firm offer will be made and a further announcement will be made in due course.

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McCormick & Company, Incorporated is a global leader in flavor. With \$4.3 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry – retail outlets, food manufacturers and foodservice businesses. Every day, no matter where or when you eat, you can enjoy food flavored by McCormick. McCormick Brings Passion to Flavor™

For more information, visit www.mccormickcorporation.com

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Disclosure requirements of the Code

Under Rule 3.04 of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offer (being any offer other than an offer in respect of which it has been announced that it does not intend to make an offer, or to be made, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if applicable, following the announcement in which any securities exchange offer is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights in, securities of the offeree company or of any securities exchange offer.

Under Rule 3.03(c) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offer must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offer. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights in, securities of each of (i) the offeree company and (ii) any securities exchange offer, save to the extent that these details have previously been disclosed under Rule 3.04 of the Code.

Free or more persons or together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offer, they will be deemed to be a single person for the purposes of Rule 3.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 3.1, 3.2 and 3.6).

Details of the offerees and other companies in respect of which relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.takeoverpanel.co.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offer was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7338 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Source and basis

- The stated share prices of Premier Foods are based on the closing middle-market prices provided by Bloomberg.
- The pre-announcement price per Premier Foods share is taken as at 22 March 2016.
- The average closing price per Premier Foods share over the twelve month period ended 22 March 2016 is for the period from 23 March 2015 up to and including 22 March 2016 (only trading days are included in the average).
- The pro forma EBITDA of £144.9m for the 12 weeks ended 4 April 2015 has been sourced from Premier Foods's 2015 annual report.
- The net debt of £265.7m and the past six months cash flows of the proposed pension deficit contribution payment schedule of £250m were sourced from Premier Foods' results notes published on 10 November 2015.
- The equity value of the Revised Proposal assumes £265,567,063 Premier Foods shares in issue and the dilutive impact of a further 35,571,126 Premier Foods shares.

Publication on website

A copy of this announcement will be made available at www.mccormick.com/press-releases no later than 12:00 noon (London time) on 24 March 2016 (being the business day following the date of this announcement) in accordance with Rule 26.1(a) of the Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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