

## **MUSGRAVE ANNOUNCES PROFIT OF €67.5 MILLION FOR 2015**

**28<sup>th</sup> April 2016:** Musgrave today announced results for financial year 2015. The Group reported sales of €4.4 billion and profit before tax of €67.5 million, compared to a loss of €9.6 million in 2014. Net cash was €23.4 million at year end. Turnover for continuing business for 2015 was €3.7 billion and profit before tax was €52.8 million.

Commenting, Chris Martin, Musgrave Chief Executive said:

*"2015 marked a year in which we brought the business back to profit and positioned it on a path to growth. In recent years, against a backdrop of challenging trading conditions, we have invested in our brands and consolidated the Musgrave business as Ireland's number one food retailer and wholesaler, feeding one in three people.*

*During 2015, we invested in our SuperValu, Centra and MarketPlace brands which now lead their respective markets and support over 22,000 Irish businesses, generating €7 billion of economic activity annually. We also completed our exit from Great Britain.*

*This year, as we celebrate 140 years since Thomas and Stuart Musgrave established the business in 1876, we are at an exciting juncture. We are successfully delivering a transformation programme and we are now focused on a growth agenda for the business."*

### Business Review

Musgrave is the leading food retailer and wholesaler in Ireland. The business employs over 35,000 people through our retail brands SuperValu, Centra and Daybreak and our wholesale brand MarketPlace.

During the recession we invested significantly in our brands which now occupy the number one position in Ireland in each of their respective markets. We have stayed ahead of the consumer by delivering value, great quality, healthy and inspiring food and by leveraging technology to make our brands more accessible and relevant. Our unique model of partnership with local retail entrepreneurs and support for Irish suppliers and local communities continues to differentiate our business from the multiples and discounters.

In 2015, SuperValu underlined its position as Ireland's market leading retailer with 221 stores and retail sales of €2.6 billion. SuperValu will invest €28 million in 2016, opening five new stores and adding 350 jobs to the SuperValu network. In addition, the Food Academy programme, delivered in partnership with Bord Bia and the Local Enterprise Office network has created opportunities for 250 small food businesses in Ireland, with sales of Food Academy products in SuperValu in 2015 alone, reaching €13 million.

Centra recorded retail sales of €1.5 billion in 2015, reflecting the brand's position as Ireland's number one convenience retailer. Centra will open 16 new stores this year, adding 480 jobs to the Centra network, as part of a €16 million investment programme.

We continued to develop our MarketPlace brand which leads the wholesale and foodservice market across the island of Ireland. This business has been strengthened by our acquisition of Allied Foods and C.J. O'Loughlin Quality Foods in 2015.

In Northern Ireland, we brought together our retail and wholesale operations. Following this reorganization, our brands in Northern Ireland – Centra, SuperValu, Mace and MarketPlace - are performing well, with our concept stores showing good progress.

After several years of difficult trading conditions, the Spanish market is improving. Our brand work to strengthen the Dialsur and Dialprix offer and investment in the development of concept stores, has helped to deliver a better performance in a recovering Spanish economy.

### Outlook

Although the Irish economy continues to improve, the outlook remains uncertain primarily due to external factors. The economy is vulnerable to potential impacts such as the uncertainty surrounding the referendum on continued membership of the European Union in the United Kingdom and economic adjustment in some emerging market economies that could push the global economy towards recession. In addition to this, the Irish grocery market remains challenging with growing competition.

We are focused on consolidating our leadership position by growing market share and all of our brands in Ireland have had a positive start to 2016 performing ahead of the market. We are making good inroads in Dublin with shoppers responding to our offer, which is providing choice based on value, local, quality and inspiring food.

We continue to invest in building profitable omni-channel brands, where our stores become destinations and our digital capability allows a new generation of millennial shoppers to access our brands at a time and place that suits them. We are also responding to consumers concerns around well-being and the priority for all of our brands is to make healthier choices more affordable and easier.

Over our 140 year history, innovation and change have been core to the success of Musgrave and, as we open the next chapter in our history, we have an ambitious agenda to grow our brands at pace.

**ENDS**