

## Financial data for Heinz and HP

1. This appendix contains financial data for the reference products submitted to us by Heinz and HP.

### Heinz

2. The following tables contain details of the actual and forecast sales and profitability of ketchup, barbecue sauce, baked beans and pasta meals supplied by Heinz for retail sale in the UK and Ireland over the three-year period ending 26 April 2006.
3. Sales are stated net of deals and allowances paid to retailers (ie promotional support). Total operating income is stated after raw material and manufacturing costs, selling and marketing costs, general and administrative costs (for the business unit), research and development costs and distribution costs, but before central overheads. Joint product costs have been allocated in proportion to net sales value.
4. The profitability of Heinz ketchup for the past three years is summarized in Table 1.

TABLE 1 Heinz: profitability of retail ketchup, 2004 to 2006

	<i>£ million</i>			
	<i>Year ended 28 April 2004</i>	<i>Year ended 27 April 2005</i>	<i>Year ending 26 April* 2006</i>	
Net sales	(	)	)	
Total operating income				
<i>Operating statistics</i>				✂
Sales volume ('000 tonnes)				
Sales revenue per tonne (£)				
Total operating income per tonne (£)	)			
Total operating income margin (%)				

Source: Heinz.

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\*Forecast based on six months' actual results.

5. The profitability of Heinz barbecue sauce for the past three years is summarized in Table 2.

TABLE 2 Heinz: profitability of retail barbecue sauce, 2004 to 2006

	<i>£ million</i>			
	<i>Year ended 28 April 2004</i>	<i>Year ended 27 April 2005</i>	<i>Year ending 26 April* 2006</i>	
Net sales	(	)	)	
Total operating income				
<i>Operating statistics</i>				✂
Sales volume ('000 tonnes)				
Sales revenue per tonne (£)				
Total operating income per tonne (£)				
Total operating income margin (%)	)			

Source: Heinz.

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\*Forecast based on six months' actual results.

6. The profitability of Heinz baked beans for the past three years is summarized in Table 3.

TABLE 3 Heinz: profitability of retail baked beans, 2004 to 2006

	<i>£ million</i>			
	<i>Year ended 28 April 2004</i>	<i>Year ended 27 April 2005</i>	<i>Year ending 26 April* 2006</i>	
Net sales	(	)	)	
Total operating income				
<i>Operating statistics</i>				✂
Sales volume ('000 tonnes)				
Sales revenue per tonne (£)				
Total operating income per tonne (£)				
Total operating income margin (%)	)			

Source: Heinz.

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\*Forecast based on six months' actual results.

7. The profitability of Heinz pasta meals for the past three years is summarized in Table 4.

TABLE 4 Heinz: profitability of retail pasta meals, 2004 to 2006

	£ million		
	Year ended 28 April 2004	Year ended 27 April 2005	Year ending 26 April* 2006
Net sales			
Total operating income			
<i>Operating statistics</i>		✂	
Sales volume ('000 tonnes)			
Sales revenue per tonne (£)			
Total operating income per tonne (£)			
Total operating income margin (%)			

Source: Heinz.

\*Forecast based on six months' actual results.

8. Total volume for all products of the Foodservice division of Heinz UK & Ireland for the 2006 financial year is projected to be [✂] tonnes with a net sales value of £[✂] million, producing a total operating income of £[✂] million (a margin of [✂] per cent).

## HP

9. Table 5 contains an analysis of sales and net product contribution of sauces sold by HP's Retail Sauce UK division in the year ended 31 December 2005, based on HP's forecast drawn up using the third quarter's figures to 30 September 2005.
10. Sales are stated net of all consideration paid to retailers (eg rebates, discounts, trade support etc). Net product contribution is calculated as sales less material costs, production costs, logistics costs, advertising, consumer promotions and other marketing costs (ie broadly costs related in some way to sales). It excludes sales force overheads, head office overheads, research and development costs and other income and expenses (ie broadly operational overheads).

TABLE 5 HP: analysis of the results of the Retail Sauce UK business by product, 2005

Year ended 31 December 2005\*

	Net sales (£m)	Net product contribution (£m)	Margin (%)
HP sauce	)	)	)
HP Fruity and other sauce			
HP BBQ sauce			
HP Spicy			
Daddies brown sauce			
Daddies ketchup			
Own-label brown sauce			
Own-label ketchup			
Lea & Perrins Worcester sauce			
Lea & Perrins marinades			
Lea & Perrins Table sauce			
Lea & Perrins Cooks Helper			

Source: HP management accounts.

\*Forecast based on nine months' actual results.

11. HP's Foodservice UK division was projected to achieve net sales of all products of £[X] million in 2005 (based on results to the end of September 2005) and a net product contribution of £[X] million (a margin of [X] per cent). Sales of HP and Lea & Perrins branded sauces by the division in the first nine months of the year were £[X] million (equating to slightly over £[X] million a year).