



9 June 2016

Dear Shareholder

Finsbury Food Group Plc ('Finsbury' or 'the Group')

Notice of Adoption of Financial Reporting Standard 101 ("FRS 101"): Reduced Disclosure Framework

Companies in the UK and Ireland are required to adopt a new UK GAAP accounting framework introduced by the Financial Reporting Council ("FRC") in their financial statements for accounting periods commencing on or after 1 January 2015. Under this new framework, the Group is required to elect to prepare its parent company financial statements on one of the bases permitted by the FRC. The consolidated financial statements of the Group will continue to be prepared in accordance with EU-adopted IFRS and are unaffected by this new accounting framework.

FRS 101 permits the financial statements of a parent entity and its subsidiaries to be prepared under a reduced disclosure framework if these companies meet the definition of a qualifying entity. A qualifying entity is defined as a *'member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation.'*

The Group has elected to adopt FRS 101, a reduced disclosure regime, for its parent company financial statements for the year ending 2 July 2016 and on an ongoing basis until such time as the Group notifies shareholders of any change to its chosen accounting framework for the parent company financial statements.

The election to adopt the disclosure exemptions within FRS 101 for the parent company financial statements does not require shareholder approval. However, as stipulated in FRS 101, the parent company is required to notify all shareholders of this proposed adoption of the FRS 101 disclosure exemptions. Any shareholder, or shareholders, holding in aggregate 5 per cent or more of the total allotted shares in the parent company may serve an objection. Objections must be served in writing to the Company Secretary at Finsbury Food Group Plc, Maes Y Coed Road, Cardiff, CF14 4XR, by no later than 24 June 2016.

If you do not object to the proposal, no further action is necessary.

Yours faithfully

Melanie Cox
Group Company Secretary

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Company Registration Number 204368
Registered in England and Wales. Registered Office as Above.