Post Holdings, Inc.
Form 10-Q
May 08, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended March 31, 2015
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from _____ to _____

Commission File Number: 1-35305
Post Holdings, Inc.
(Exact name of registrant as specified in its charter)

Missouri	45-3355106
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2503 S. Hanley Road
St. Louis, Missouri 63144
(Address of principal executive offices) (Zip Code)
(314) 644-7600
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:
Common stock, $0.01 Par Value – 54,843,957 shares as of May 4, 2015

POST HOLDINGS, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION.
ITEM 1. FINANCIAL STATEMENTS.
POST HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(in millions, except per share data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Net Sales	$1,052.7	$438.0	$2,126.6	$735.0
Cost of goods sold	777.2	308.6	1,602.0	491.1
Gross Profit	275.5	129.4	524.6	243.9
Selling, general and administrative expenses	173.7	105.0	339.7	186.9
Amortization of intangible assets	33.7	12.7	67.2	18.4
Loss on foreign currency	2.7	11.9	3.9	13.5
Other operating expenses, net	15.7	0.1	23.2	0.2
Operating Profit (Loss)	49.7	(0.3)	90.6	24.9
Interest expense, net	59.8	37.3	119.9	66.3
Other expense, net	28.8	—	83.4	—
Loss before Income Taxes	(38.9)	(37.6)	(112.7)	(41.4)
Income tax benefit	(69.4)	(19.3)	(45.9)	(20.7)
Net Earnings (Loss)	30.5	(18.3)	(66.8)	(20.7)
Preferred stock dividends	(4.2)	(4.3)	(8.5)	(6.9)
Net Earnings (Loss) Available to Common Shareholders	$26.3	$(22.6)	$(75.3)	$(27.6)
Earnings (Loss) per Common Share:				
Basic	$0.48	$(0.67)	$(1.45)	$(0.83)
Diluted	$0.45	$(0.67)	$(1.45)	$(0.83)
Weighted-Average Common Shares Outstanding:				
Basic	54.5	33.6	52.1	33.1
Diluted	67.6	33.6	52.1	33.1

See accompanying Notes to Condensed Consolidated Financial Statements.

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POST HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(in millions)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Net Earnings (Loss)	$30.5	$(18.3)	$(66.8)	$(20.7)
Amortization of actuarial loss (benefit) and prior service cost for pension and postretirement benefits, net of tax benefit of $0.2, $0.1, $0.1 and $0.2, respectively	0.4	(0.2)	0.6	(0.3)
Foreign currency translation adjustments	(26.8)	0.7	(40.9)	(1.5)
Total Comprehensive Income (Loss)	$4.1	$(17.8)	$(107.1)	$(22.5)

See accompanying Notes to Condensed Consolidated Financial Statements.

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POST HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(in millions)

	March 31, 2015	September 30, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$579.0	$268.4
Restricted cash	13.6	84.8
Receivables, net	348.7	413.7
Inventories	461.9	380.7
Deferred income taxes	22.8	27.0
Prepaid expenses and other current assets	49.2	44.4
Total Current Assets	1,475.2	1,219.0
Property, net	827.4	831.9
Goodwill	2,943.1	2,886.7
Other intangible assets, net	2,694.2	2,643.0
Other assets	75.3	150.5
Total Assets	$8,015.2	$7,731.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	$24.9	$25.6
Accounts payable	229.3	225.0
Other current liabilities	282.9	269.3
Total Current Liabilities	537.1	519.9
Long-term debt	3,815.1	3,830.5
Deferred income taxes	859.2	915.1
Other liabilities	279.9	182.4
Total Liabilities	5,491.3	5,447.9
Shareholders' Equity		
Preferred stock	0.1	0.1
Common stock	0.5	0.5
Additional paid-in capital	3,017.1	2,669.3
Accumulated deficit	(372.5)	(305.7)
Accumulated other comprehensive loss	(67.9)	(27.6)
Treasury stock, at cost	(53.4)	(53.4)
Total Shareholders' Equity	2,523.9	2,283.2
Total Liabilities and Shareholders' Equity	$8,015.2	$7,731.1

See accompanying Notes to Condensed Consolidated Financial Statements.

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POST HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in millions)

	Six Months Ended March 31,	
	2015	2014
Cash Flows from Operating Activities		
Net Loss	$(66.8)	$(20.7)
Adjustments to reconcile net loss to net cash flow provided by operating activities:		
Depreciation and amortization	126.3	51.2
Premium from issuance of long-term debt	—	20.1
Loss on interest rate swaps	83.4	—
Loss on foreign currency	2.2	6.7
Loss on assets held for sale	22.5	—
Stock-based compensation expense	16.7	7.4
Deferred income taxes	(61.5)	(17.3)
Other, net	0.5	(0.5)
Other changes in current assets and liabilities, net of business acquisitions:		
Decrease (increase) in receivables, net	77.7	(34.6)
(Increase) decrease in inventories	(49.5)	10.0
Increase in prepaid expenses and other current assets	(6.4)	(12.9)
Increase in accounts payable and other current and non-current liabilities	13.3	9.1
Net Cash Provided by Operating Activities	158.4	18.5
Cash Flows from Investing Activities		
Business acquisitions, net of cash acquired	(187.9)	(1,035.2)
Cash advance for asset purchase	—	(25.0)
Additions to property	(45.6)	(26.7)
Restricted cash	71.1	36.3
Insurance proceeds on property losses	1.8	—
Net Cash Used by Investing Activities	(160.6)	(1,050.6)
Cash Flows from Financing Activities		
Proceeds from issuance of long term debt	—	875.0
Proceeds from issuance of preferred stock, net of issuance costs	—	310.2
Proceeds from issuance of common stock, net of issuance costs	341.4	303.5
Repayments of long-term debt	(13.2)	—
Payment of preferred stock dividend	(8.5)	(5.9)
Payments of debt issuance costs (Note 13)	(3.7)	(19.8)
Other, net	(1.7)	0.2
Net Cash Provided by Financing Activities	314.3	1,463.2
Effect of Exchange Rate Changes on Cash	(1.5)	(7.2)
Net Increase in Cash and Cash Equivalents	310.6	423.9
Cash and Cash Equivalents, Beginning of Year	268.4	402.0
Cash and Cash Equivalents, End of Period	$579.0	$825.9

See accompanying Notes to Condensed Consolidated Financial Statements.

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POST HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in millions, except per share information and where indicated otherwise)

NOTE 1 — BASIS OF PRESENTATION

These unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), under the rules and regulations of the United States Securities and Exchange Commission (the “SEC”), and on a basis substantially consistent with the audited consolidated financial statements of the Company as of and for the fiscal year ended September 30, 2014. These unaudited condensed consolidated financial statements should be read in conjunction with such audited consolidated financial statements, which are included in the Company’s Annual Report on Form 10-K filed with the SEC on November 28, 2014.

These unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments and accruals) that management considers necessary for a fair statement of the Company’s financial position, results of operations, comprehensive income (loss) and cash flows for the interim periods presented. Interim results are not necessarily indicative of the results for any other interim period or for the entire fiscal year. Certain prior year amounts have been reclassified to conform with the 2015 presentation.

Related to the closure of its Modesto, California facility and the planned sale of a peanut butter manufacturing facility located in Portales, New Mexico, the Company has land, building and equipment classified as assets held for sale as of March 31, 2015. Losses of $15.4 and $22.5 were recorded in the three and six months ended March 31, 2015, respectively, to adjust the carrying value of the assets to their estimated fair value less estimated selling costs. The loss is included in “Other operating expenses, net” on the Condensed Consolidated Statement of Operations. At March 31, 2015 and September 30, 2014, the carrying value of the assets held for sale was $13.9 and $16.4, respectively, and included in “Prepaid expenses and other current assets” on the Condensed Consolidated Balance Sheets.

Unless otherwise stated or the context otherwise indicates, all references in this Form 10-Q to “Post,” “the Company,” “us,” “our” or “we” mean Post Holdings, Inc. and its consolidated subsidiaries.

Recently Issued Accounting Standards

In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-03 “Simplifying the Presentation of Debt Issuance Costs”, which changes the presentation of debt issuance costs in financial statements. The standards update requires an entity to present debt issuance costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset and amortization of the costs is reported as interest expense. The ASU requires retrospective application and is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years, with early adoption permitted. The implementation of this standard is not expected to have a significant impact on the Company’s consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is the new comprehensive revenue recognition standard that will supersede all existing revenue recognition guidance under GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to a customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective for annual and interim periods beginning on or after December 15, 2016, and early adoption is not permitted. Although the Company currently expects to adopt this standard update in the financial statements for the year ending September 30, 2018, the Financial Accounting Standards Board, in April 2015, voted to issue a proposal which would defer the adoption of this standard update one year, Post’s year ending September 30, 2019. Entities will have the option of using either a full retrospective approach or a modified approach to adopt the guidance in the ASU. The Company is currently in the process of determining the method of adoption and evaluating the impact of adopting this guidance.

NOTE 2 — RESTRUCTURING

In March 2015, the Company announced its plan to close its facility in Boise, Idaho, which manufactures certain PowerBar products distributed in North America. The closure of the plant is expected to be completed by July 2015. Post management expects to transfer production of the PowerBar products to third party facilities under co-manufacturing agreements.

In April 2013, the Company announced management's decision to close its plant located in Modesto, California as part of a cost savings and capacity rationalization effort. The transfer of production capabilities and closure of the plant was completed during September 2014, and no additional costs were incurred in the six months ended March 31, 2015.

Restructuring amounts related to the plant closures are shown in the following table. Costs are recognized in "Selling, general and administrative expenses" in the consolidated statements of operations with the exception of accelerated depreciation expense

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which is included in “Cost of goods sold.” These expenses are not included in the measure of segment performance for any segment (see Note 15).

	Three Months Ended March 31,		Six Months Ended March 31,		Cumulative Incurred to Date	Total Expected to be Incurred
	2015	2014	2015	2014		
Boise:						
Employee severance	$3.1	$—	$3.1	$—	$3.1	$3.1
Modesto:						
Employee severance	—	0.2	—	0.7	3.2	3.2
Pension curtailment	—	—	—	—	1.7	1.7
Accelerated depreciation	—	2.0	—	4.7	17.6	17.6
Total Modesto	—	2.2	—	5.4	22.5	22.5
	$3.1	$2.2	$3.1	$5.4	$25.6	$25.6

Liabilities recorded related to restructuring activities and changes therein are as follows:

	September 30, 2014	Costs Incurred and Charged to Expense	Costs Paid	March 31, 2015
Employee severance:				
Boise	$—	$3.1	$—	$3.1
Modesto	0.7	—	(0.5)	0.2
	$0.7	$3.1	$(0.5)	$3.3

NOTE 3 — BUSINESS COMBINATIONS

On January 1, 2014, Post completed its acquisition of all the stock of Agricore United Holdings Inc. (“Agricore”) from Viterra Inc. Agricore is the parent company of Dakota Growers Pasta Company, Inc. (“Dakota Growers”), a manufacturer of dry pasta for the private label, foodservice and ingredient markets. Dakota Growers is reported in Post’s Michael Foods Group segment (see Note 15). Net sales and operating profit included in the condensed consolidated statements of operations related to this acquisition were $68.2 and $8.5, respectively, for the three months ended March 31, 2015 and $133.4 and $13.0, respectively, for the six months ended March 31, 2015. In fiscal 2014, net sales and operating loss included in the condensed consolidated statements of operations related to this acquisition were $66.7 and $(1.2), respectively, for both the three and six months ended March 31, 2014.

On February 1, 2014, Post completed its acquisition of Dymatize Enterprises, LLC (“Dymatize”), a manufacturer and marketer of premium protein powders, bars and nutritional supplements. In accordance with the terms of the purchase agreement, the sellers were eligible for an earn-out payment of up to $17.5 based on Dymatize’s level of performance against certain financial performance targets, as defined in the purchase agreement, during calendar year 2014. As of December 31, 2014, the Company updated its estimate of the fair value of the earn-out and concluded the fair value was zero, resulting in a gain of approximately $0.7 recognized in the first quarter of fiscal 2015, which was recorded as a component of selling, general and administrative expenses in the Condensed Consolidated Statement of Operations. The final net working capital adjustment has not been finalized. The Company currently estimates the final net working capital adjustment will result in an amount due back to the Company. Dymatize is reported in Post’s Consumer Brands segment (see Note 15). Net sales and operating loss included in the condensed consolidated statements of operations were $48.1 and $(5.1), respectively, for the three months ended March 31, 2015 and $95.1 and $(9.6), respectively, for the six months ended March 31, 2015. In fiscal 2014, net sales and operating loss included in the condensed consolidated statements of operations related to this acquisition were $28.2 and $(2.5), respectively, for both the three and six months ended March 31, 2014.

On February 1, 2014, Post completed its acquisition of Golden Boy Foods Ltd. (“Golden Boy”), a manufacturer of private label peanut and other nut butters, as well as dried fruits and baking and snacking nuts. Golden Boy is reported in Post’s Private Label segment (see Note 15). Net sales and operating loss included in the condensed consolidated

statements of operations related to this acquisition were $98.0 and $(8.0), respectively, for the three months ended March 31, 2015 and $200.5 and $(4.0), respectively, for the six months ended March 31, 2015. The operating loss included $15.4 related to a loss on assets held for sale for both the three and six months ended March 31, 2015 (see Note 1). For fiscal 2014, net sales and operating profit included in the condensed consolidated statements of operations related to this acquisition were $39.0 and $2.0, respectively, for both the three and six months

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ended March 31, 2014. Net sales and operating profit amounts for fiscal 2015 are inclusive of American Blanching Company ("ABC"), which is discussed further below.
On June 2, 2014, the Company completed its acquisition of MFI Holding Corporation ("Michael Foods"), which is reported in Post's Michael Foods Group segment (see Note 15). Michael Foods manufactures and distributes egg products, refrigerated potato products and also distributes cheese and other dairy case products to the retail, food service and food ingredient channels. Net sales and operating profit included in the condensed consolidated statements of operations related to this acquisition were $482.1 and $31.3, respectively, for the three months ended March 31, 2015 and $1,016.2 and $68.9, respectively, for the six months ended March 31, 2015.
On August 1, 2014, Post Foods, LLC, a subsidiary of the Company, acquired a cereal brand and related inventory for $20.4. The brand is reported as part of the Consumer Brands segment.
On October 1, 2014, the Company completed its acquisition of the PowerBar and Musashi brands and related worldwide assets from Nestlé S.A ("PowerBar") for $150.0, subject to a working capital adjustment, which resulted in a payment at closing of $136.1. In March 2015, a final settlement of net working capital and other adjustments was reached, resulting in an amount back to the Company of approximately $1.7. PowerBar is reported in Post's Consumer Brands segment (see Note 15). Based upon the preliminary purchase price allocation, the Company has recorded $21.3 of customer relationships to be amortized over a weighted-average period of 18.3 years and $40.0 to trademarks and brands to be amortized over a weighted-average period of 20 years. Net sales and operating loss included in the condensed consolidated statements of operations related to this acquisition were $31.2 and $(8.0), respectively, for the three months ended March 31, 2015 and $66.2 and $(12.5), respectively, for the six months ended March 31, 2015. The operating loss included $3.5 related to restructuring and plant closure costs for both the three and six months ended March 31, 2015.
On November 1, 2014, the Company completed its acquisition of ABC for $128.0. ABC is a manufacturer of peanut butter for national brands, private label retail and industrial markets and provider of peanut blanching, granulation and roasting services for the commercial peanut industry. ABC is reported in Post's Private Label segment (see Note 15). Based upon the preliminary purchase price allocation, the Company has recorded $63.9 of customer relationships to be amortized over a weighted-average period of 17 years and $8.0 to trademarks and brands to be amortized over a weighted-average period of 10 years. ABC operations have been integrated into the Golden Boy business, and due to the level of integration, discrete sales and operating profit data is not available for ABC.
Each of the acquisitions was accounted for using the acquisition method of accounting, whereby the results of operations are included in the financial statements from the date of acquisition. The respective purchase prices were allocated to acquired assets and assumed liabilities based on their estimated fair values at the date of acquisition, and any excess was allocated to goodwill, as shown in the table below. Goodwill represents the value the Company expects to achieve through the implementation of operational synergies and the expansion of the business into new or growing segments of the industry. The Company expects substantially all of the final fair value of goodwill related to the current year acquisition of PowerBar to be deductible for U.S. income tax purposes and does not expect the final fair value of goodwill related to the current year acquisition of ABC to be deductible for U.S. income tax purposes. Certain estimated values for the Michael Foods, PowerBar and ABC acquisitions, including goodwill, intangible assets, inventory and deferred taxes, are not yet finalized pending the final purchase price allocations and are subject to change once additional information is obtained. As of March 31, 2015, the final working capital adjustment for the Dymatize acquisition was not final, as such, the Company has estimated the working capital adjustment and any subsequent adjustments will be recorded as an adjustment to earnings.
The following table provides the allocation of the purchase price based upon the fair value of assets and liabilities assumed for each acquisition completed in fiscal 2015.

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	PowerBar	ABC
Cash and cash equivalents	$2.4	$0.6
Receivables	6.5	12.8
Inventories	23.1	15.5
Prepaid expenses and other current assets	0.1	0.4
Property	17.3	19.7
Goodwill	19.7	49.6
Other intangible assets	61.3	71.9
Deferred tax asset - long-term	11.7	—
Other assets	—	0.4
Accounts payable	(1.2)	(9.0)
Deferred tax liability - current	(0.8)	(0.4)
Other current liabilities	(4.6)	(2.8)
Deferred tax liability - long-term	(1.1)	(30.7)
Total acquisition cost	$134.4	$128.0

The following table summarizes the provisional amounts recognized related to fiscal 2014 acquisitions as of September 30, 2014, as well as measurement period adjustments made in the six months ended March 31, 2015. The adjustments did not have a significant impact on the consolidated statements of income, balance sheets or cash flows in any period; therefore, the financial statements have not been retrospectively adjusted.

	Acquisition Date Amounts Recognized as of September 30, 2014 (a)	Adjustments During the Six Months Ended March 31, 2015	Acquisition Date Amounts Recognized (as Adjusted)
Cash and cash equivalents	$73.8	$—	$73.8
Restricted cash	3.4	—	3.4
Receivables (b) (d)	219.6	(0.3)	219.3
Income tax receivable	62.5	—	62.5
Inventories	289.9	—	289.9
Deferred tax asset - current (b)	5.4	0.7	6.1
Prepaid expenses and other current assets	9.3	—	9.3
Property	440.5	—	440.5
Goodwill	1,605.4	5.2	1,610.6
Other intangible assets	1,883.7	—	1,883.7
Other assets	9.1	—	9.1
Current portion of long-term debt	(3.7)	—	(3.7)
Accounts payable (d)	(142.6)	0.2	(142.4)
Other current liabilities (d)	(121.5)	(0.3)	(121.8)
Long-term debt	(8.4)	—	(8.4)
Deferred tax liability - long-term (b)	(697.1)	7.0	(690.1)
Other liabilities (b)	(11.8)	(9.0)	(20.8)
Total acquisition cost (c)	$3,617.5	$3.5	$3,621.0

Adjustments During the Six Months Ended March 31, 2015:

(a) As previously reported in Post’s 2014 Annual Report on Form 10-K.

(b) The adjustments to “Deferred income taxes” and “Other liabilities” reflect: 1) the impact on deferred tax assets and related reserves for uncertain tax positions of certain state tax elections made on final pre-acquisition short period tax returns and 2) the impact of certain return to provision adjustments

(c) Dymatize working capital adjustment

(d) Other Dymatize adjustments

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The following unaudited pro forma information presents a summary of the results of operations of the Company combined with the aggregate results of Dakota Growers, Dymatize, Golden Boy, Michael Foods, PowerBar and ABC for the periods presented as if the fiscal 2015 acquisitions had occurred on October 1, 2013 and the fiscal 2014 acquisitions had occurred on October 1, 2012, along with certain pro forma adjustments. These pro forma adjustments give effect to the amortization of certain definite-lived intangible assets, adjusted depreciation based upon fair value of assets acquired, interest expense related to the financing of the business combinations, and related income taxes. The following unaudited pro forma information has been prepared for comparative purposes only and is not necessarily indicative of the results of operations as they would have been had the acquisitions occurred on the assumed dates, nor is it necessarily an indication of future operating results.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Pro forma net sales	$1,052.7	$1,014.6	$2,139.1	$2,082.4
Pro forma net income (loss) available to common shareholders	26.4	(23.9)	(70.5)	(28.5)
Pro forma basic income (loss) per share	$0.48	$(0.71)	$(1.35)	$(0.86)
Pro forma diluted income (loss) per share	$0.45	$(0.71)	$(1.35)	$(0.86)

NOTE 4 — GOODWILL

The changes in the carrying amount of goodwill by segment are noted in the following table.

	Consumer Brands	Michael Foods Group	Private Label	Total
Balance, September 30, 2014				
Goodwill (gross)	$1,950.6	$1,347.2	$229.3	$3,527.1
Accumulated impairment losses	(640.4)	—	—	(640.4)
Goodwill (net)	$1,310.2	$1,347.2	$229.3	$2,886.7
Goodwill acquired	19.7	—	49.6	69.3
Acquisition related adjustment	10.8	(5.6)	—	5.2
Currency translation adjustment	(0.7)	—	(17.4)	(18.1)
Balance, March 31, 2015				
Goodwill (gross)	$1,980.4	$1,341.6	$261.5	$3,583.5
Accumulated impairment losses	(640.4)	—	—	(640.4)
Goodwill (net)	$1,340.0	$1,341.6	$261.5	$2,943.1

NOTE 5 — INCOME TAXES

For the three months and six months ended March 31, 2015, the effective income tax rate is 178.4% and 40.7%, respectively. In accordance with Accounting Standards Codification (“ASC”) Topic 740, the Company has recorded tax expense for the three and six months ended March 31, 2015 using the estimated annual effective tax rate for the Company’s full fiscal year. Under ASC 740-270-30-30, the Company’s tax benefit recognized for the year-to-date loss is limited to the amount that would be recognized if the year-to-date ordinary loss were the anticipated ordinary loss for the fiscal year. The estimated annual effective tax rate differs from the statutory tax rate primarily due to the expectation that nondeductible merger and acquisition expenses and other permanently nondeductible expenses will have an unfavorable impact on the effective income tax rate and the expectation that the Domestic Production Activities Deduction under the Internal Revenue Code and tax planning strategies implemented for certain recent acquisitions will have a favorable impact on the effective income tax rate.

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NOTE 6 — INTANGIBLE ASSETS, NET

Total intangible assets are as follows:

	March 31, 2015			September 30, 2014		
	Carrying Amount	Accumulated Amortization	Net Amount	Carrying Amount	Accumulated Amortization	Net Amount
Subject to amortization:						
Customer relationships	$1,818.7	$(139.8)	$1,678.9	$1,743.7	$(90.9)	$1,652.8
Trademarks/brands	607.5	(59.7)	547.8	554.7	(43.9)	510.8
Other intangible assets	22.3	(4.3)	18.0	24.7	(3.0)	21.7
	2,448.5	(203.8)	2,244.7	2,323.1	(137.8)	2,185.3
Not subject to amortization:						
Trademarks/brands	449.5	—	449.5	457.7	—	457.7
	$2,898.0	$(203.8)	$2,694.2	$2,780.8	$(137.8)	$2,643.0

NOTE 7 — EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is based on the average number of common shares outstanding during the period. Diluted earnings (loss) per share is based on the average number of shares used for the basic earnings per share calculation, adjusted for the dilutive effect of stock options, stock appreciation rights and restricted stock equivalents using the "treasury stock" method. The impact of potentially dilutive convertible preferred stock is calculated using the "if-converted" method. The Company's tangible equity units ("TEUs") are assumed to be settled at the minimum settlement amount of 1.7114 shares per TEU for weighted-average shares for basic earnings (loss) per share. For diluted earnings (loss) per share, the shares, to the extent dilutive, are assumed to be settled at a conversion factor based on the Company's daily volume-weighted average price per share of the Company's common stock not to exceed 2.0964 shares per TEU.

The following table sets forth the computation of basic and diluted earnings (loss) per share for the three and six months ended March 31, 2015 and 2014, respectively.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Net earnings for basic earnings (loss) per share	$26.3	$(22.6)	$(75.3)	$(27.6)
Net earnings for diluted earnings (loss) per share	$30.5	$(22.6)	$(75.3)	$(27.6)
Weighted-average shares outstanding	49.6	33.6	47.2	33.1
Effect of TEUs on weighted-average shares for basic earnings (loss) per share	4.9	—	4.9	—
Weighted-average shares for basic earnings (loss) per share	54.5	33.6	52.1	33.1
Effect of dilutive securities:				
Stock options	0.6	—	—	—
Stock appreciation rights	0.1	—	—	—
Restricted stock awards	0.3	—	—	—
TEUs	1.1	—	—	—
Preferred shares conversion to common	11.0	—	—	—
Total dilutive securities	13.1	—	—	—
Weighted-average shares for diluted earnings (loss) per share	67.6	33.6	52.1	33.1
Basic earnings (loss) per common share	$0.48	$(0.67)	$(1.45)	$(0.83)
Diluted earnings (loss) per common share	$0.45	$(0.67)	$(1.45)	$(0.83)

For the three months ended March 31, 2015 and 2014, weighted-average shares for diluted earnings (loss) per common share excludes 1.4 million and 3.8 million equity awards, respectively, as they were anti-dilutive. For the six

months ended March 31, 2015 and 2014, weighted-average shares for diluted earnings (loss) per common share excludes 5.4 million and 3.8 million equity

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awards, respectively, as they were anti-dilutive. For the three months ended March 31, 2014, the weighted-average shares for diluted earnings (loss) per common share excludes 11.0 million shares, related to the potential conversion of the Company's convertible preferred stock as they were anti-dilutive. For the six months ended March 31, 2015 and 2014, the weighted-average shares for diluted earnings (loss) per common share excludes 11.0 million shares in both years, related to the potential conversion of the Company's convertible preferred stock as they were anti-dilutive. For the six months ended March 31, 2015, there were 1.1 million tangible equity units excluded from diluted earnings (loss) per share as they were anti-dilutive.

NOTE 8 — INVENTORIES

	March 31, 2015	September 30, 2014
Raw materials and supplies	$130.5	$99.2
Work in process	14.3	16.3
Finished products	288.8	235.8
Flocks	28.3	29.4
	$461.9	$380.7

NOTE 9 — PROPERTY, NET

	March 31, 2015	September 30, 2014
Property, at cost	$1,170.8	$1,121.0
Accumulated depreciation	(343.4)	(289.1)
	$827.4	$831.9

NOTE 10 — DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

In the ordinary course of business, the Company is exposed to commodity price risks relating to the acquisition of raw materials and supplies, interest rate risks relating to floating rate debt, and foreign currency exchange rate risks relating to its foreign subsidiaries. The Company utilizes derivative financial instruments, including (but not limited to) futures contracts, option contracts, forward contracts and swaps, to manage certain of these exposures by hedging when it is practical to do so. The Company does not hold or issue financial instruments for speculative or trading purposes.

The Company maintains options, futures contracts and interest rate swaps which have been designated as economic hedges of raw materials, fuel and energy purchases and variable rate debt.

As of March 31, 2015, the Company has interest rate swaps with a notional amount of $869.5 that have the effect of converting our variable interest rate term loan debt to fixed interest rates beginning in June 2016. In addition, as of March 31, 2015, the Company has interest rate swaps with a $750.0 notional amount that obligate Post to pay a weighted average fixed rate of approximately 4% and receive three-month LIBOR and will result in a net settlement in July 2018. These swaps have the effect of fixing the variable interest rate on the term loan which the Company entered into to fund the acquisition of MOM Brands (see Notes 13 and 17). In connection with the acquisition of Michael Foods, the Company acquired additional interest rate swaps with notional amounts totaling $300.0 that were not settled at the closing of the acquisition and remain outstanding at March 31, 2015. The notional amounts of natural gas and heating oil futures and commodity contracts were $32.0 and $43.1, respectively, at March 31, 2015. These contracts relate to inputs that generally will be utilized within the next 12 months.

The Company's calculation of the fair value of interest rate swaps is derived from a discounted cash flow analysis based on the terms of the contract and the interest rate curve. Commodity, natural gas and heating oil derivatives are valued using an income approach based on index prices less the contract rate multiplied by the notional amount.

The following tables present the balance sheet location and fair value of the Company's derivative instruments on a gross and net basis as of March 31, 2015 and September 30, 2014.

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	Balance Sheet Location	Fair Value of Assets as of March 31, 2015		
		Gross Amounts of Recognized Assets	Gross Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts of Assets Presented in the Condensed Consolidated Balance Sheet
Commodity contracts	Prepaid expenses and other current assets	$0.2	$(0.1)	$0.1
Natural gas and heating oil futures	Prepaid expenses and other current assets	0.2	—	0.2
		$0.4	$(0.1)	$0.3

	Balance Sheet Location	Fair Value of Liabilities as of March 31, 2015		
		Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Condensed Consolidated Balance Sheet
Commodity contracts	Other current liabilities	$1.3	$(0.1)	$1.2
Natural gas and heating oil futures	Other current liabilities	6.9	—	6.9
Interest rate swaps	Other current liabilities	0.8	—	0.8
Interest rate swaps	Other liabilities	123.8	—	123.8
		$132.8	$(0.1)	$132.7

	Balance Sheet Location	Fair Value of Liabilities as of September 30, 2014		
		Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Condensed Consolidated Balance Sheet
Commodity contracts	Other current liabilities	$8.0	$—	$8.0
Natural gas and heating oil futures	Other current liabilities	0.9	—	0.9
Interest rate swaps	Other current liabilities	2.7	—	2.7
Interest rate swaps	Other liabilities	40.4	—	40.4
		$52.0	$—	$52.0

The following table presents the gain (loss) from derivative instruments that were not designated as hedging instruments and were recorded on the Company's condensed consolidated statements of operations.

		Gain (Loss) Recognized in Earnings			
		Three Months Ended March 31,		Six Months Ended March 31,	
Derivative Instrument	Location of Gain (Loss) Recognized in Earnings	2015	2014	2015	2014
Commodity contracts	Cost of goods sold	$0.2	$0.8	$8.4	$1.0
	Cost of goods sold	4.9	(0.2)	(3.6)	0.5

Natural gas and heating oil futures					
Foreign exchange contracts	Selling, general and administrative expenses	—	(5.6)	—	(6.3)
Interest rate swaps	Other expense, net	(28.8)	—	(83.4)	—

NOTE 11 — FAIR VALUE MEASUREMENTS

The following table represents Post's assets and liabilities measured at fair value on a recurring basis and the basis for that measurement according to the levels in the fair value hierarchy in ASC Topic 820:

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	March 31, 2015			September 30, 2014		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets:						
Deferred compensation investment	$11.3	$11.3	$—	$10.2	$10.2	$—
Derivative assets	0.3	—	0.3	—	—	—
	$11.6	$11.3	$0.3	$10.2	$10.2	$—
Liabilities:						
Deferred compensation liabilities	$15.8	$—	$15.8	$12.3	$—	$12.3
Derivative liabilities	132.7	—	132.7	52.0	—	52.0
	$148.5	$—	$148.5	$64.3	$—	$64.3

The following table represents the fair value of Post's long-term debt, which is not recorded at fair value in the Condensed Consolidated Balance Sheets, and is classified as Level 2 in the fair value hierarchy per ASC Topic 820:

	March 31, 2015	September 30, 2014
Senior notes	$2,914.8	$2,768.2
Term loan	880.2	872.9
TEUs	30.3	29.5
	$3,825.3	$3,670.6

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources, while unobservable inputs reflect a reporting entity's pricing based upon its own market assumptions. The fair value hierarchy consists of three levels:

Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs are quoted prices of similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3 — Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The deferred compensation investment is invested primarily in mutual funds and its fair value is measured using the market approach. This investment is in the same funds and purchased in substantially the same amounts as the participants' selected investment options (excluding Post common stock equivalents), which represent the underlying liabilities to participants in the Company's deferred compensation plans. Deferred compensation liabilities are recorded at amounts due to participants in cash, based on the fair value of participants' selected investment options (excluding certain Post common stock equivalents to be distributed in shares) using the market approach. The Company utilizes the income approach to measure fair value for its derivative assets, which include commodity options and futures contracts. The income approach uses pricing models that rely on market observable inputs such as yield curves and forward prices. Changes in the deferred compensation investment and related liability are recorded as a component of selling, general and administrative expenses.

Refer to Note 10 for the classification of changes in fair value of derivative assets and liabilities measured at fair value on a recurring basis within the Condensed Consolidated Statements of Operations.

The carrying amounts reported on the Condensed Consolidated Balance Sheets for cash and cash equivalents, receivables and accounts payable approximate fair value because of the short maturities of these financial instruments.

NOTE 12 — SHAREHOLDERS' EQUITY

In February 2015, the Company issued 7.475 million shares of common stock, par value $0.01 per share, at a price to the public of $47.50 per share. The Company received net proceeds of $341.4 after paying offering related fees and expenses of approximately $13.7.

Reclassifications out of accumulated other comprehensive income for the reported periods includes the amortization of actuarial loss (benefit) and prior service cost for pension and postretirement benefits totaling $0.3 and $(0.3) for the

three month periods ended March 31, 2015 and 2014, respectively, and $0.5 and $(0.5) for the six month periods ended March 31,

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2015 and 2014, respectively. Amounts are primarily classified as "Cost of goods sold" on the condensed consolidated statements of operations.

NOTE 13 — LONG-TERM DEBT

Long-term debt as of the dates indicated consists of the following:

	March 31, 2015	September 30, 2014
7.375% Senior Notes maturing February 2022	$1,375.0	$1,375.0
6.75% Senior Notes maturing December 2021	875.0	875.0
6.00% Senior Notes maturing December 2022	630.0	630.0
Term loan	878.4	882.8
TEUs	31.8	38.4
4.57% 2012 Series Bond maturing September 2017	3.9	4.8
Secured notes	—	1.1
Capital leases	3.1	3.8
	$3,797.2	$3,810.9
Less: Current portion	(24.9)	(25.6)
Plus: Unamortized premium (discount), net	42.8	45.2
Total long-term debt	$3,815.1	$3,830.5

On January 29, 2014, the Company entered into a Credit Agreement (the "Credit Agreement"). The Credit Agreement provides for a revolving credit facility with an aggregate principal value of $400.0. The revolving credit facility has outstanding letters of credit of $0.5 which reduced the available borrowing capacity to $399.5 at March 31, 2015. On May 1, 2014, the Company entered into a First Amendment to the Credit Agreement (the "First Amendment"). The First Amendment amended the Credit Agreement to, among other matters, permit an incremental term loan (the "Existing Term Loan") of $885.0.

On March 6, 2015, the Company entered into a Second Amendment to Credit Agreement (the "Second Amendment"). The Second Amendment amended the Credit Agreement to, among other matters, facilitate the financing of the Company's previously announced acquisition of MOM Brands Company ("MOM Brands"), including by permitting a new incremental term loan (the "New Term Loan") under the Credit Agreement of up to $700.0 to finance a portion of the cash portion of the purchase price of MOM Brands and waiving or limiting certain conditions for the acquisition of MOM Brands to be a permitted acquisition under the Credit Agreement. In addition, with respect to the New Term Loan, the Second Amendment waives the condition that the Company be in pro forma compliance with the financial covenants contained in the Credit Agreement. The Company incurred $3.7 of issuance costs in connection with the Credit Agreement and the New Term Loan as of March 31, 2015. (see Note 17).

The Credit Agreement, as amended, contains customary affirmative and negative covenants for agreements of this type, including delivery of financial and other information, compliance with laws, maintenance of property, existence, insurance and books and records, inspection rights, obligation to provide collateral and guarantees by new subsidiaries, limitations with respect to indebtedness, liens, fundamental changes, restrictive agreements, use of proceeds, amendments of organization documents, accounting changes, prepayments and amendments of indebtedness, dispositions of assets, acquisitions and other investments, transactions with affiliates, dividends and redemptions or repurchases of stock, capital expenditures, and granting liens on certain real property, and customary financial covenants including (a) a quarterly maximum senior secured leverage ratio of 3.00 to 1.00, and (b) a quarterly minimum interest coverage ratio of 1.75 to 1.00. Also, the Credit Agreement permits the Company to incur additional unsecured debt only if its consolidated interest coverage ratio, calculated as provided in the Credit Agreement would be greater than 2.00 to 1.00 after giving effect to such new debt.

The Credit Agreement provides for customary events of default, including material breach of representations and warranties, failure to make required payments, failure to comply with certain agreements or covenants, failure to pay, or default under, certain other material indebtedness, certain events of bankruptcy and insolvency, inability to pay debts, the occurrence of one or more unstayed or undischarged judgments in excess of $60.0, which subsequently will

increase to $75.0 in connection with the closing of the MOM Brands acquisition (see Note 17), or attachments issued against a material part of the Company’s property, change in control, the invalidity of any loan document, the failure of the collateral documents to create a valid and perfected first priority lien and certain ERISA events. Upon the occurrence of an event of default, the maturity of the loans under the Credit Agreement may be accelerated and the agent and lenders under the Credit Agreement may exercise other rights and remedies available at law or under the loan documents, including with respect to the collateral and guarantees for the Company’s obligations under the Credit Agreement.

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Debt Covenants

Under the terms of the Credit Agreement, the Company is required to comply with certain financial covenants consisting of ratios for quarterly maximum senior secured leverage and minimum interest coverage. As of March 31, 2015, the Company was in compliance with such financial covenants. The Company does not believe non-compliance is reasonably likely in the foreseeable future.

NOTE 14 — PENSION AND OTHER POSTRETIREMENT BENEFITS

Certain of the Company's employees are eligible to participate in the Company's qualified and supplemental noncontributory defined benefit pension plans and other postretirement benefit plans (partially subsidized retiree health and life insurance) or separate plans for Post Foods Canada Inc. Amounts for the Canadian plans are included in these disclosures and are not disclosed separately because they do not constitute a significant portion of the combined amounts.

The following tables provide the components of net periodic benefit cost for the plans.

	Pension Benefits			
	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Components of net periodic benefit cost				
Service cost	$0.9	$0.9	$1.9	$1.8
Interest cost	0.5	0.6	1.1	1.1
Expected return on plan assets	(0.5)	(0.6)	(1.2)	(1.1)
Recognized net actuarial loss	0.2	0.2	0.4	0.4
Recognized prior service cost	0.1	0.1	0.2	0.2
Net periodic benefit cost	$1.2	$1.2	$2.4	$2.4

	Other Benefits			
	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Components of net periodic benefit cost				
Service cost	$0.5	$0.5	$1.0	$1.0
Interest cost	1.2	1.2	2.4	2.3
Recognized net actuarial loss	0.3	0.1	0.7	0.2
Recognized prior service credit	(0.4)	(0.6)	(0.8)	(1.2)
Net periodic benefit cost	$1.6	$1.2	$3.3	$2.3

NOTE 15 — SEGMENTS

Effective October 1, 2014, the Company reorganized its management reporting and realigned its reportable segments in accordance with ASC 280, "Segment Reporting."

For the year ended September 30, 2014, Post operated in the following reportable business segments:

- Post Foods: including the Post branded ready-to-eat ("RTE") cereal business;
- Michael Foods: including egg, potato, cheese and other dairy;
- Active Nutrition: including high protein shakes, bars, powders and nutritional supplements;
- Private Brands: including dry pasta, peanut butter and other nut butters, dried fruits and baking and snacking nuts; and
- Attune Foods: including premium natural and organic cereals and snacks.

In connection with a reorganization of our business units, effective as of October 1, 2014, the reportable segments were changed as follows:

- Consumer Brands: including the Post branded RTE cereal business, the legacy Active Nutrition businesses and PowerBar;
- Michael Foods Group: including the Michael Foods legacy businesses and the dry pasta business; and
-

Private Label: including the peanut butter and other nut butters (inclusive of the ABC business), dried fruits and baking and snacking nuts businesses and the legacy Attune Foods businesses.

Management evaluates each segment's performance based on its segment profit, which is its operating profit before impairment of property and intangible assets, plant closure related costs, restructuring expenses, and other unallocated corporate income and expenses. During the first quarter of fiscal 2015, the Company changed its methodology for allocating certain corporate costs to

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segment profit. Accordingly, segment profit for the three and six months ended March 31, 2014 has been adjusted to align with current year presentation. The following tables present information about the Company's reportable segments, including corresponding amounts for the prior year.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	2014	2015	2014
Net Sales				
Consumer Brands	$378.5	$310.1	$726.4	$584.2
Michael Foods Group	550.3	66.7	1,149.6	66.7
Private Label	124.9	61.2	252.7	84.4
Eliminations	(1.0)	—	(2.1)	(0.3)
Total	$1,052.7	$438.0	$2,126.6	$735.0
Segment Profit (Loss)				
Consumer Brands	$46.3	$38.6	$77.6	$86.0
Michael Foods Group	39.8	(1.2)	81.9	(1.2)
Private Label	10.4	3.9	17.3	6.5
Total segment profit	96.5	41.3	176.8	91.3
General corporate expenses and other	31.4	27.8	63.7	48.6
Accelerated depreciation on plant closure	—	2.0	—	4.7
Losses on hedge of purchase price of foreign currency denominated acquisition	—	11.8	—	13.1
Loss on assets held for sale	15.4	—	22.5	—
Interest expense	59.8	37.3	119.9	66.3
Other expense, net	28.8	—	83.4	—
Loss before income taxes	$(38.9)	$(37.6)	$(112.7)	$(41.4)
Depreciation and amortization				
Consumer Brands	$18.9	$17.0	$38.0	$31.8
Michael Foods Group	36.5	5.2	73.1	5.2
Private Label	6.5	3.8	12.5	5.6
Total segment depreciation and amortization	61.9	26.0	123.6	42.6
Accelerated depreciation on plant closure	—	2.0	—	4.7
Corporate	1.3	2.1	2.7	3.9
Total	$63.2	$30.1	$126.3	$51.2

	March 31, 2015	September 30, 2014
Assets		
Consumer Brands	$3,071.4	$2,932.2
Michael Foods Group	3,601.8	3,726.5
Private Label	663.5	558.6
Corporate	678.5	513.8
Total	$8,015.2	$7,731.1

NOTE 16 — CONDENSED CONSOLIDATING FINANCIAL STATEMENTS OF GUARANTORS

On February 3, 2012, the Company issued 7.375% senior notes due February 2022 in an aggregate principal amount of $775.0 to Ralcorp pursuant to a contribution agreement in connection with the internal reorganization. The aggregate principal amount of the 7.375% senior notes was increased to a total of $1,375.0 by subsequent issuances completed on October 25, 2012 and July 18, 2013.

On November 18, 2013, the Company issued 6.75% senior notes due December 2021 in an aggregate principal amount of $525.0 to certain qualified institutional buyers. The aggregate principal amount of the 6.75% senior notes was increased to a total of $875.0 by a subsequent issuance completed on March 19, 2014.

On June 2, 2014, the Company issued 6.00% senior notes due December 2022 in an aggregate principal amount of $630.0 to certain qualified institutional buyers.

The 7.375% senior notes, the 6.75% senior notes and the 6.00% senior notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our existing and future domestic subsidiaries, the “Guarantors.” Our foreign subsidiaries, the “Non-Guarantors,” do not guarantee the senior notes. These guarantees are subject to release in limited circumstances (only upon the occurrence of certain customary conditions).

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POST HOLDINGS, INC.
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended March 31, 2015				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
Net Sales	$—	$957.6	$106.0	$(10.9)	$1,052.7
Cost of goods sold	—	699.8	88.3	(10.9)	777.2
Gross Profit	—	257.8	17.7	—	275.5
Selling, general and administrative expenses	4.3	156.0	13.4	—	173.7
Amortization of intangible assets	—	31.3	2.4	—	33.7
Loss on foreign currency	1.0	1.6	0.1	—	2.7
Other operating expenses, net	—	15.5	0.2	—	15.7
Operating (Loss) Profit	(5.3)	53.4	1.6	—	49.7
Interest expense (income), net	56.9	(0.2)	3.1	—	59.8
Other expense, net	28.8	—	—	—	28.8
(Loss) Earnings before Income Taxes	(91.0)	53.6	(1.5)	—	(38.9)
Income tax (benefit) expense	(121.9)	52.5	—	—	(69.4)
Net Earnings (Loss) before Equity in Subsidiaries	30.9	1.1	(1.5)	—	30.5
Equity (loss) earnings in subsidiaries	(0.4)	(0.6)	—	1.0	—
Net Earnings (Loss)	$30.5	$0.5	$(1.5)	$1.0	$30.5
Total Comprehensive Income (Loss)	$4.1	$0.8	$(14.7)	$13.9	$4.1

	Three Months Ended March 31, 2014				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
Net Sales	$—	$390.1	$51.2	$(3.3)	$438.0
Cost of goods sold	—	267.8	44.1	(3.3)	308.6
Gross Profit	—	122.3	7.1	—	129.4
Selling, general and administrative expenses	3.7	96.6	4.7	—	105.0
Amortization of intangible assets	—	10.9	1.8	—	12.7
Loss on foreign currency	11.8	0.1	—	—	11.9
Other operating expenses, net	—	0.1	—	—	0.1
Operating (Loss) Profit	(15.5)	14.6	0.6	—	(0.3)
Interest expense, net	35.4	—	1.9	—	37.3
(Loss) Earnings before Income Taxes	(50.9)	14.6	(1.3)	—	(37.6)
Income tax (benefit) expense	(30.1)	11.1	(0.3)	—	(19.3)
Net (Loss) Earnings before Equity in Subsidiaries	(20.8)	3.5	(1.0)	—	(18.3)
Equity earnings in subsidiaries	2.5	—	—	(2.5)	—
Net (Loss) Earnings	$(18.3)	$3.5	$(1.0)	$(2.5)	$(18.3)
Total Comprehensive (Loss) Income	$(17.8)	$3.3	$(0.3)	$(3.0)	$(17.8)

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	Six Months Ended March 31, 2015				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
Net Sales	$—	$1,918.5	$229.4	$(21.3)	$2,126.6
Cost of goods sold	—	1,428.7	194.6	(21.3)	1,602.0
Gross Profit	—	489.8	34.8	—	524.6
Selling, general and administrative expenses	7.4	305.0	27.3	—	339.7
Amortization of intangible assets	—	62.1	5.1	—	67.2
Loss on foreign currency	1.4	2.5	—	—	3.9
Other operating expenses, net	—	23.0	0.2	—	23.2
Operating (Loss) Profit	(8.8)	97.2	2.2	—	90.6
Interest expense (income), net	114.0	(0.5)	6.4	—	119.9
Other expense, net	83.4	—	—	—	83.4
(Loss) Earnings before Income Taxes	(206.2)	97.7	(4.2)	—	(112.7)
Income tax (benefit) expense	(84.0)	38.6	(0.5)	—	(45.9)
Net (Loss) Earnings before Equity in Subsidiaries	(122.2)	59.1	(3.7)	—	(66.8)
Equity earnings (loss) in subsidiaries	55.4	(1.1)	—	(54.3)	—
Net (Loss) Earnings	$(66.8)	$58.0	$(3.7)	$(54.3)	$(66.8)
Total Comprehensive (Loss) Income	$(107.1)	$58.5	$(23.9)	$(34.6)	$(107.1)

	Six Months Ended March 31, 2014				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
Net Sales	$—	$674.9	$70.8	$(10.7)	$735.0
Cost of goods sold	—	441.9	59.9	(10.7)	491.1
Gross Profit	—	233.0	10.9	—	243.9
Selling, general and administrative expenses	6.9	171.4	8.6	—	186.9
Amortization of intangible assets	—	16.6	1.8	—	18.4
Loss on foreign currency	13.1	0.4	—	—	13.5
Other operating expenses, net	—	0.2	—	—	0.2
Operating (Loss) Profit	(20.0)	44.4	0.5	—	24.9
Interest expense, net	64.4	—	1.9	—	66.3
(Loss) Earnings before Income Taxes	(84.4)	44.4	(1.4)	—	(41.4)
Income tax (benefit) expense	(42.0)	21.6	(0.3)	—	(20.7)
Net (Loss) Earnings before Equity in Subsidiaries	(42.4)	22.8	(1.1)	—	(20.7)
Equity earnings in subsidiaries	21.7	—	—	(21.7)	—
Net (Loss) Earnings	$(20.7)	$22.8	$(1.1)	$(21.7)	$(20.7)
Total Comprehensive (Loss) Income	$(22.5)	$22.5	$(2.6)	$(19.9)	$(22.5)

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POST HOLDINGS, INC.
CONDENSED CONSOLIDATING BALANCE SHEETS (Unaudited)

	March 31, 2015				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current Assets					
Cash and cash equivalents	$557.1	$17.7	$12.9	$(8.7)	$579.0
Restricted cash	1.1	11.4	1.1	—	13.6
Receivables, net	6.5	306.6	46.0	(10.4)	348.7
Inventories	—	407.9	54.0	—	461.9
Deferred income taxes	22.8	—	—	—	22.8
Intercompany notes receivable	6.2	—	—	(6.2)	—
Prepaid expenses and other current assets	14.6	33.4	1.2	—	49.2
Total Current Assets	608.3	777.0	115.2	(25.3)	1,475.2
Property, net	—	775.0	52.4	—	827.4
Goodwill	—	2,807.3	135.8	—	2,943.1
Other intangible assets, net	—	2,586.1	108.1	—	2,694.2
Intercompany receivable	1,060.9	—	—	(1,060.9)	—
Intercompany notes receivable	157.9	—	—	(157.9)	—
Investment in subsidiaries	5,558.7	23.7	—	(5,582.4)	—
Other assets	60.4	13.2	1.7	—	75.3
Total Assets	$7,446.2	$6,982.3	$413.2	$(6,826.5)	$8,015.2
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Current portion of long-term debt	$22.5	$2.0	$0.4	$—	$24.9
Accounts payable	—	215.0	33.4	(19.1)	229.3
Intercompany notes payable	—	—	6.2	(6.2)	—
Other current liabilities	107.1	160.0	15.8	—	282.9
Total Current Liabilities	129.6	377.0	55.8	(25.3)	537.1
Long-term debt	3,810.4	1.9	2.8	—	3,815.1
Intercompany payable	—	1,058.9	2.0	(1,060.9)	—
Intercompany notes payable	—	—	157.9	(157.9)	—
Deferred income taxes	831.9	—	27.3	—	859.2
Other liabilities	150.4	119.6	9.9	—	279.9
Total Liabilities	4,922.3	1,557.4	255.7	(1,244.1)	5,491.3
Total Shareholders' Equity	2,523.9	5,424.9	157.5	(5,582.4)	2,523.9
Total Liabilities and Shareholders' Equity	$7,446.2	$6,982.3	$413.2	$(6,826.5)	$8,015.2

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	September 30, 2014				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current Assets					
Cash and cash equivalents	$246.6	$15.7	$10.0	$(3.9)	$268.4
Restricted cash	1.1	79.8	3.9	—	84.8
Receivables, net	78.0	305.2	45.9	(15.4)	413.7
Inventories	—	336.5	44.2	—	380.7
Deferred income taxes	27.0	—	—	—	27.0
Intercompany notes receivable	6.3	—	—	(6.3)	—
Prepaid expenses and other current assets	11.4	30.4	2.6	—	44.4
Total Current Assets	370.4	767.6	106.6	(25.6)	1,219.0
Property, net	—	775.9	56.0	—	831.9
Goodwill	—	2,732.8	153.9	—	2,886.7
Other intangible assets, net	—	2,518.5	124.5	—	2,643.0
Intercompany receivable	1,015.4	—	—	(1,015.4)	—
Intercompany notes receivable	178.9	—	—	(178.9)	—
Investment in subsidiaries	5,543.1	8.1	—	(5,551.2)	—
Other assets	61.7	86.1	2.7	—	150.5
Total Assets	$7,169.5	$6,889.0	$443.7	$(6,771.1)	$7,731.1
LIABILITIES AND SHAREHOLDERS’ EQUITY					
Current Liabilities					
Current portion of long-term debt	$22.2	$3.0	$0.4	$—	$25.6
Accounts payable	—	212.2	32.1	(19.3)	225.0
Intercompany notes payable	—	—	6.3	(6.3)	—
Other current liabilities	100.4	153.8	15.1	—	269.3
Total Current Liabilities	122.6	369.0	53.9	(25.6)	519.9
Long-term debt	3,824.2	2.9	3.4	—	3,830.5
Intercompany payable	—	1,013.8	1.6	(1,015.4)	—
Intercompany notes payable	—	—	178.9	(178.9)	—
Deferred income taxes	883.8	—	31.3	—	915.1
Other liabilities	55.7	115.9	10.8	—	182.4
Total Liabilities	4,886.3	1,501.6	279.9	(1,219.9)	5,447.9
Total Shareholders’ Equity	2,283.2	5,387.4	163.8	(5,551.2)	2,283.2
Total Liabilities and Shareholders’ Equity	$7,169.5	$6,889.0	$443.7	$(6,771.1)	$7,731.1

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POST HOLDINGS, INC.
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended March 31, 2015				
	Parent Company	Guarantors	Non-Guarantors	Eliminations	Total
Net Cash (Used In) Provided by Operating Activities	$14.0	$203.7	$4.6	$(63.9)	$158.4
Cash Flows from Investing Activities					
Business acquisitions	(3.5)	(183.2)	(1.2)	—	(187.9)
Additions to property	—	(43.7)	(1.9)	—	(45.6)
Restricted cash	—	68.4	2.7	—	71.1
Insurance proceeds on property losses	—	1.8	—	—	1.8
Proceeds from equity distributions	121.5	—	—	(121.5)	—
Capitalization of subsidiaries	(138.6)	—	—	138.6	—
Net receipts from intercompany revolver	0.6	—	—	(0.6)	—
Net Cash Provided by (Used in) Investing Activities	(20.0)	(156.7)	(0.4)	16.5	(160.6)

Cash Flows from Financing Activities