

McBride plc
2004-05: Preliminary Results
8 September 2005

Solid Performance in a Challenging Environment

- Sales up 7.1% at £537.1m
- Operating Profit* flat £35.0m vs £35.1m
- Operating margin* 6.5% vs 7.0%
- Profit after Tax up £0.3m to £20.6m
- Strong Cash Generation £27.5m Free Cash Flow**
- EPS 13.3p vs 13.5p*
- ROACE raised to 27.7% vs 25.4% pre exceptional
- Dividend up 20.0% 4.8p vs 4.0p
- Share repurchase commenced, 6.125m shares (£9.3m)

* Pre exceptional items and goodwill amortisation

** Before APL investment, exceptional items, Dividends and Financing

Profit & Loss Account

£m	<u>2005</u>	<u>2004</u>
Sales	<u>537.1</u>	<u>501.3</u>
Operating profit	35.0	35.1
Share of JV Operating Profit	0.1	0.8
Goodwill Amortisation	(0.9)	(1.4)
Net Interest	<u>(1.4)</u>	<u>(1.0)</u>
Profit Before tax pre exceptionals	32.8	33.5
Exceptionals	(3.0)	(3.3)
Tax	<u>(9.2)</u>	<u>(9.9)</u>
Profit After Tax	<u>20.6</u>	<u>20.3</u>
EPS before goodwill & exceptionals *	13.3p	13.5p

* Number of Shares used for EPS was 177,122,822 (2004: 177,666,200)

£m	Segmental Analysis		Change %
Turnover by Geographic Origin	<u>2005</u>	<u>2004</u>	+/-
UK excluding APL	215.4	216.6	(0.5)
APL	26.4	-	-
UK Total	<u>241.8</u>	<u>216.6</u>	11.6
Continental Europe	<u>295.3</u>	<u>284.7</u>	3.7
Total	<u>537.1</u>	<u>501.3</u>	7.1
Operating Profit * by Geographic Origin			
UK excluding APL	18.1	18.4	(1.6)
APL	2.0	-	-
UK Total	<u>20.1</u>	<u>18.4</u>	9.2
Continental Europe	<u>14.9</u>	<u>16.7</u>	(10.8)
Total	<u>35.0</u>	<u>35.1</u>	(0.3)

* Pre exceptional items/ goodwill amortisation

Exceptional Items

Breda Closure

£m	<u>2003-4</u>	<u>2004-5</u>	<u>2005-6</u>
Profit Impact (Pre Tax)	(3.3)		
Cashflow impact			
Exceptional Item	-	(3.3)	-
Capex	(3.5)	(1.8)	-
Proceeds from Land sale	-	-	1.0

Payback in 2.5 years

Exceptional Items

£m	<u>2004-5</u>	<u>2005-6</u>	<u>2006-7</u>
Bampton	(1.3)		
UK Others	(1.0)		
CE	(0.7)		
Profit Impact (Pre Tax)	(3.0)		
Cash Flow Impact			
Bampton	-	(1.7)	0.5
UK Others	(0.4)	(0.6)	
CE	-	(0.7)	
Total Cash Flow Impact	(0.4)	(3.0)	0.5

Payback periods all within 2 years

Balance Sheet

£m	June <u>2005</u>	June <u>2004</u>
Fixed Assets	137.9	132.2
Stocks	41.3	38.8
Debtors	106.3	114.9
Creditors	<u>(151.4)</u>	<u>(147.5)</u>
Working Capital	(3.8)	6.2
Provisions	(12.4)	(14.1)
Net Debt	(24.4)	(31.4)
Net Investments in JV	<u>----</u>	<u>(1.2)</u>
Net Assets	<u>97.3</u>	<u>91.7</u>
ROACE % pre exceptionals	27.7%	25.4%

IFRS Restated 2004/5 Financial Statements to be announced second half November

Cash Flow

£m	<u>2005</u>	<u>2004</u>
Operating profit pre Goodwill amortisation	35.0	35.1
Depreciation (2005 includes £0.1m loss on disposal)	18.7	18.5
EBITDA	<u>53.7</u>	<u>53.6</u>
Working Capital Movement	1.1	8.8
Tax	(7.2)	(10.6)
Financing & Exchange	(2.6)	1.0
Operating Cash Flow *	<u>45.0</u>	<u>52.8</u>
Capital Expenditure	(17.5)	(17.2)
Free Cash Flow **	<u>27.5</u>	<u>35.6</u>
Exceptional / APL	(6.5)	-
Free Cash Flow	<u>21.0</u>	<u>35.6</u>
Cashflow per Share **	15.5p	20.0p

* Pre exceptional items

** Pre exceptional items /APL acquisition

Strategy

- To be the No 1 supplier of choice for Private Label Household & Personal Care products throughout Europe
- Focus on profitable sales
- Improve operational efficiency and increase asset utilisation
- Maintain focus on cash generation
- Create value for Shareholders

Sales Performance

- Group retail sales £509.0m, up £29.2m +6.1%
- McBride CE sales £286.2m, +3.1%
- France +4.9%, Netherlands +4.0% and Italy +2.0%
- Sales to Spain and Belgium down 3.5% and 3.1% respectively
- Poland, Czech and Hungary retail sales up 13.7%, 65.1% and 22.0% respectively
- Personal Care retail sales £83.2m up £16.3m +24.3%, 9.0% excluding APL
- Contract sales £28.1m, +30.1%

Cost Pressures

COSTS

- Raw materials
- Packaging
- Distribution
- General utility costs

ACTIONS

- Purchasing strategies
- Value Engineering
- Alternative sources and materials
- Material yield/ Productivity

Cost Management

- Improved labour efficiency and material usage have offset Gross Margin erosion but more to do.
- Improved Asset utilisation - ROACE up to 27.7% from 25.4%
- Smooth closure & transfer of Breda Factory
- Closure of Bampton factory and other rationalisation programmes in UK and Europe announced.
- Further direct and indirect cost efficiencies for the coming year

Returns to Shareholders

- Dividend up 20%
- Share repurchases: £9.3m spent
- Significant Balance Sheet capacity and strong Cash Flow

Current Trading & Outlook

These results have been achieved in challenging market conditions and demonstrate the underlying strength of our business. Initiatives continue to be launched to further improve our competitiveness and more are planned.

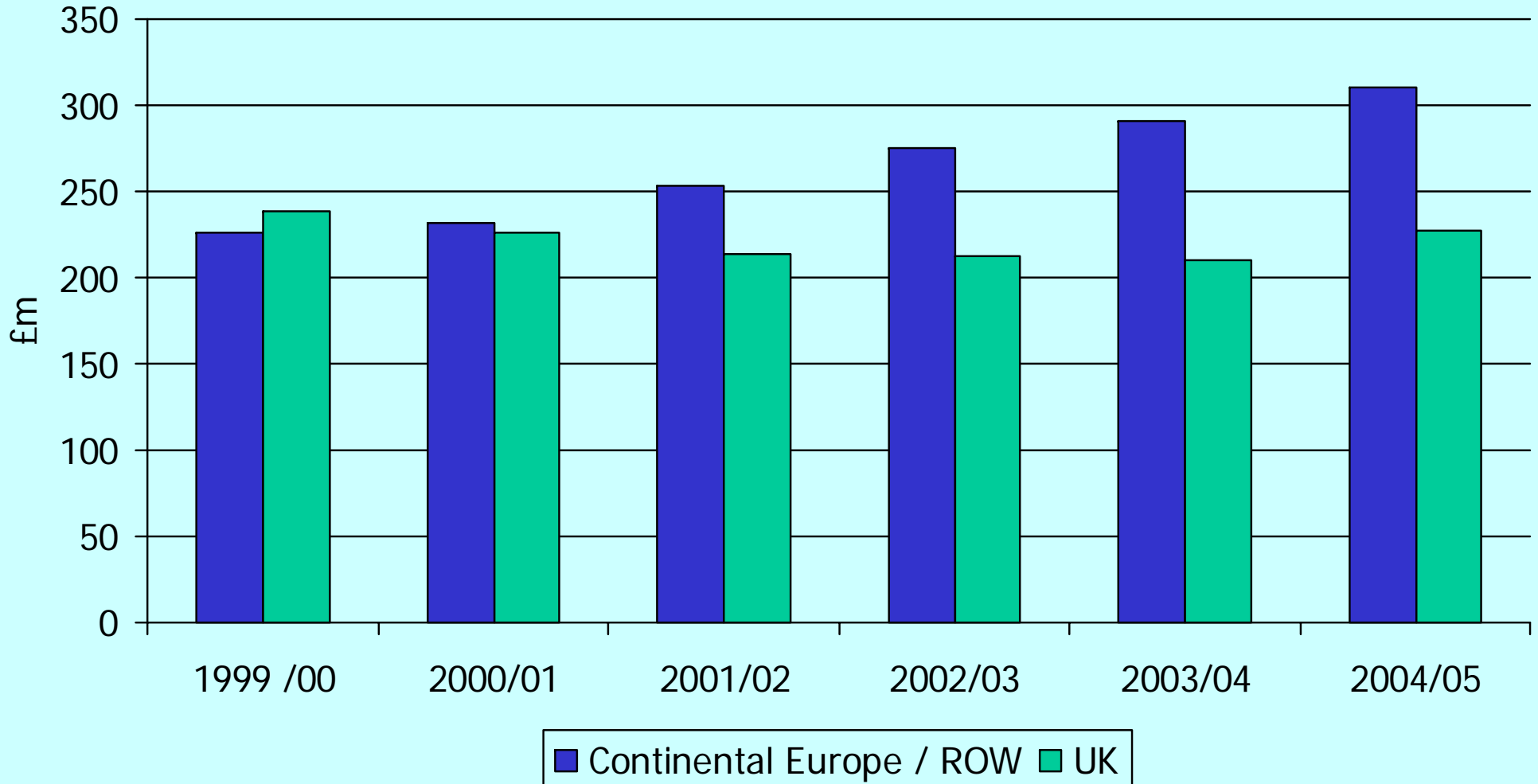
Since the year end trading has been in line with our expectations and we anticipate the first half outturn being in line with that of the second half of the year just ended. As a number of these efficiency and growth initiatives are only now taking effect, we anticipate these measure beginning to benefit the second half performance.

Summary

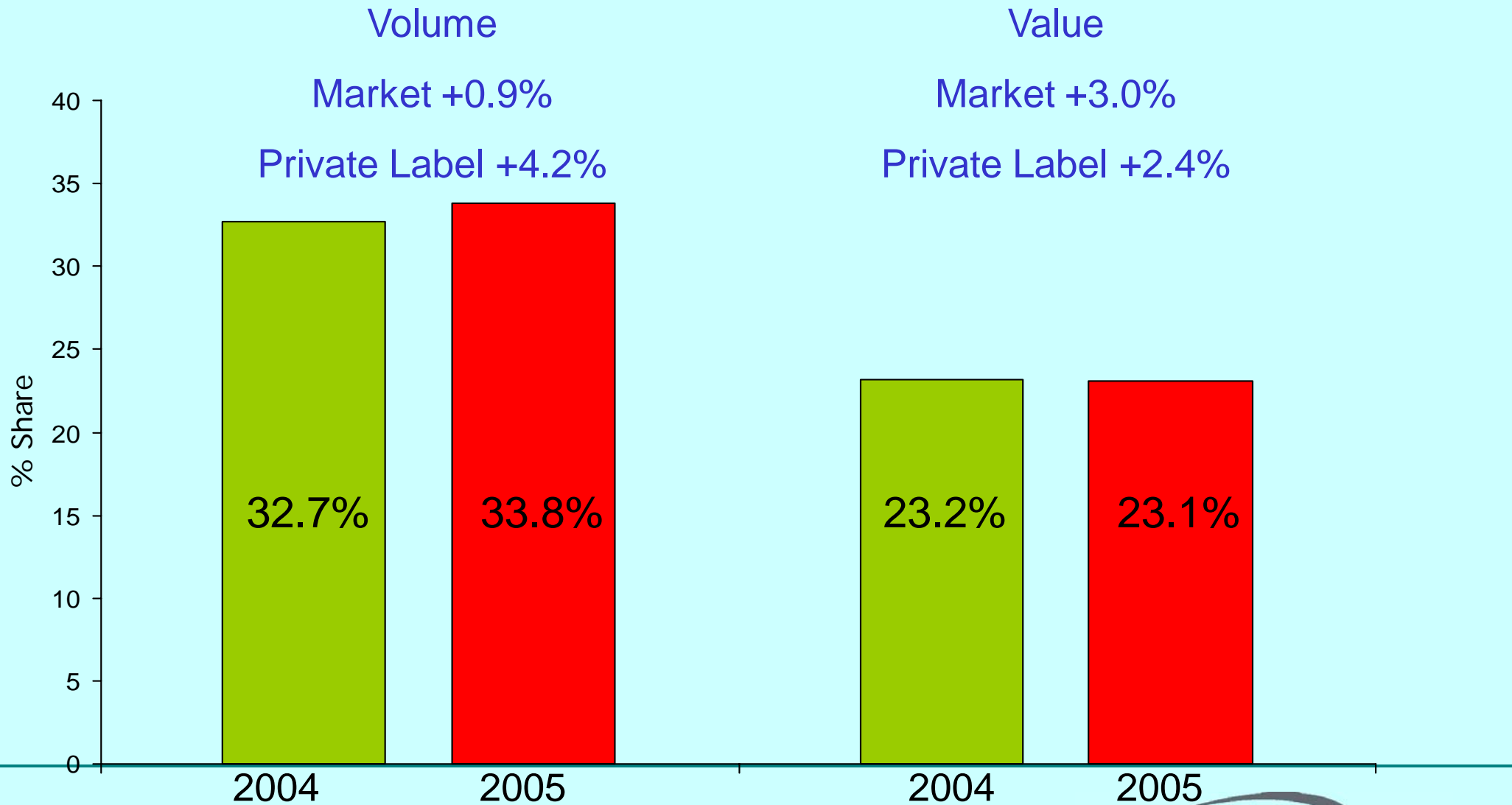
- Solid performance in a challenging environment
- Continued Cash Generation
- Focus on cost base, service and product innovation especially in Continental Europe
- Continued improvement in ROACE
- Improving returns to shareholders
- Many opportunities to lever the potential of the Business

Appendices

Geographical Sales Split



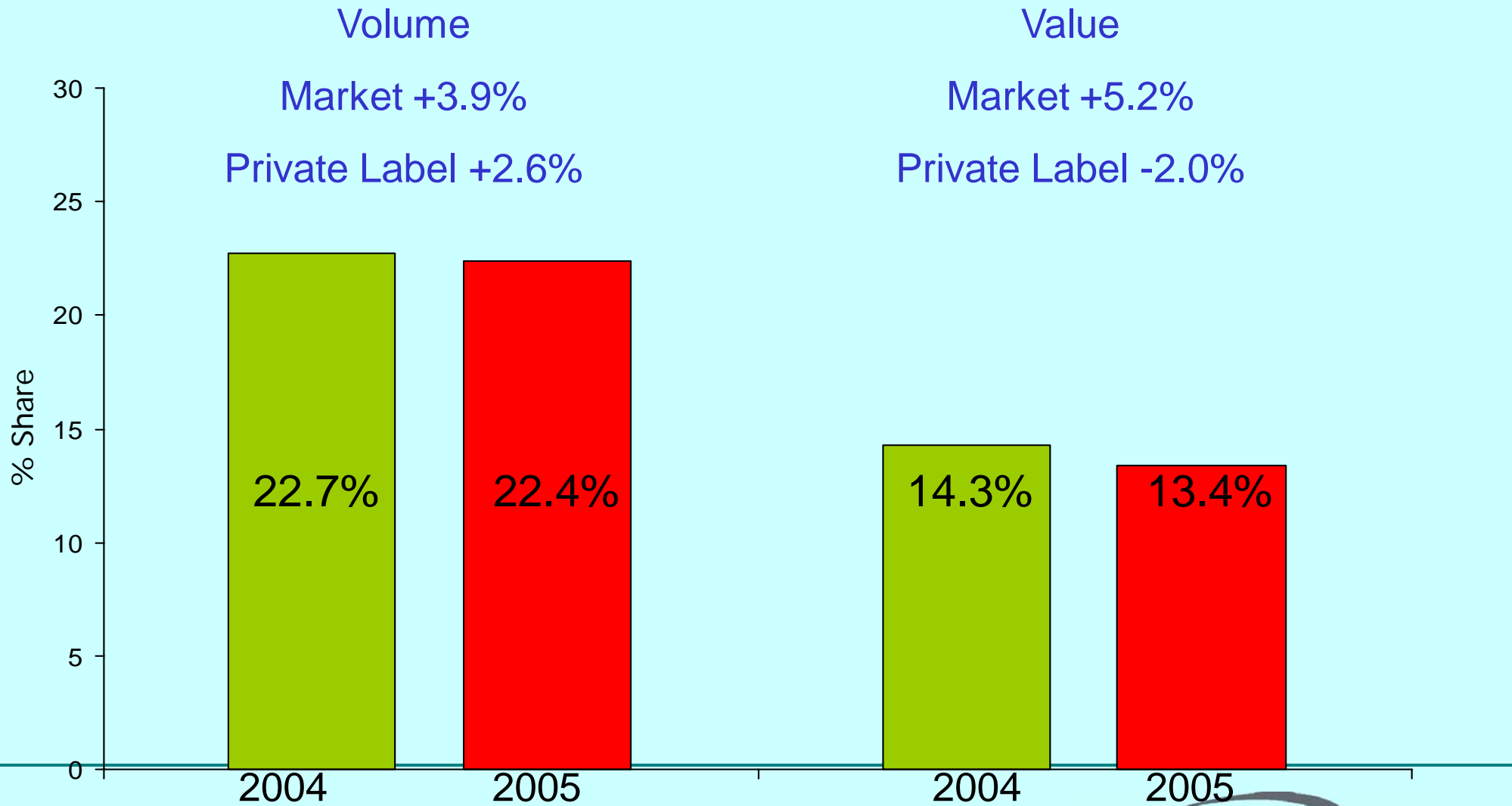
UK PL Household Volume Share gains offset by Selling Price Deflation



TNS Sofres data: 52 weeks ending 19 June
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UK PL Personal Care had volume growth but still suffers from price deflation

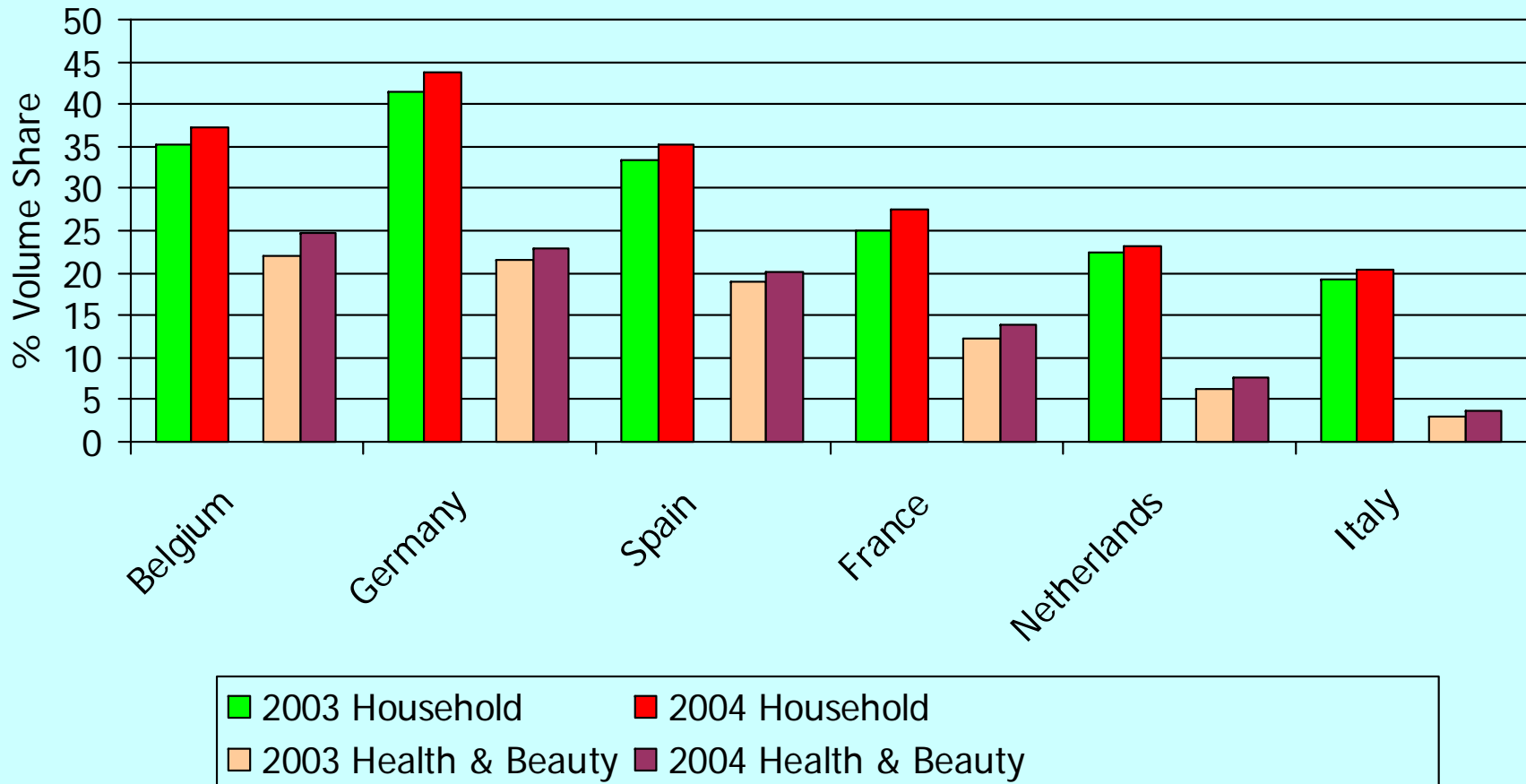


TNSofres data: 52 weeks ending 19 June

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Private Label Household and Health & Beauty gaining share in Core European Markets.

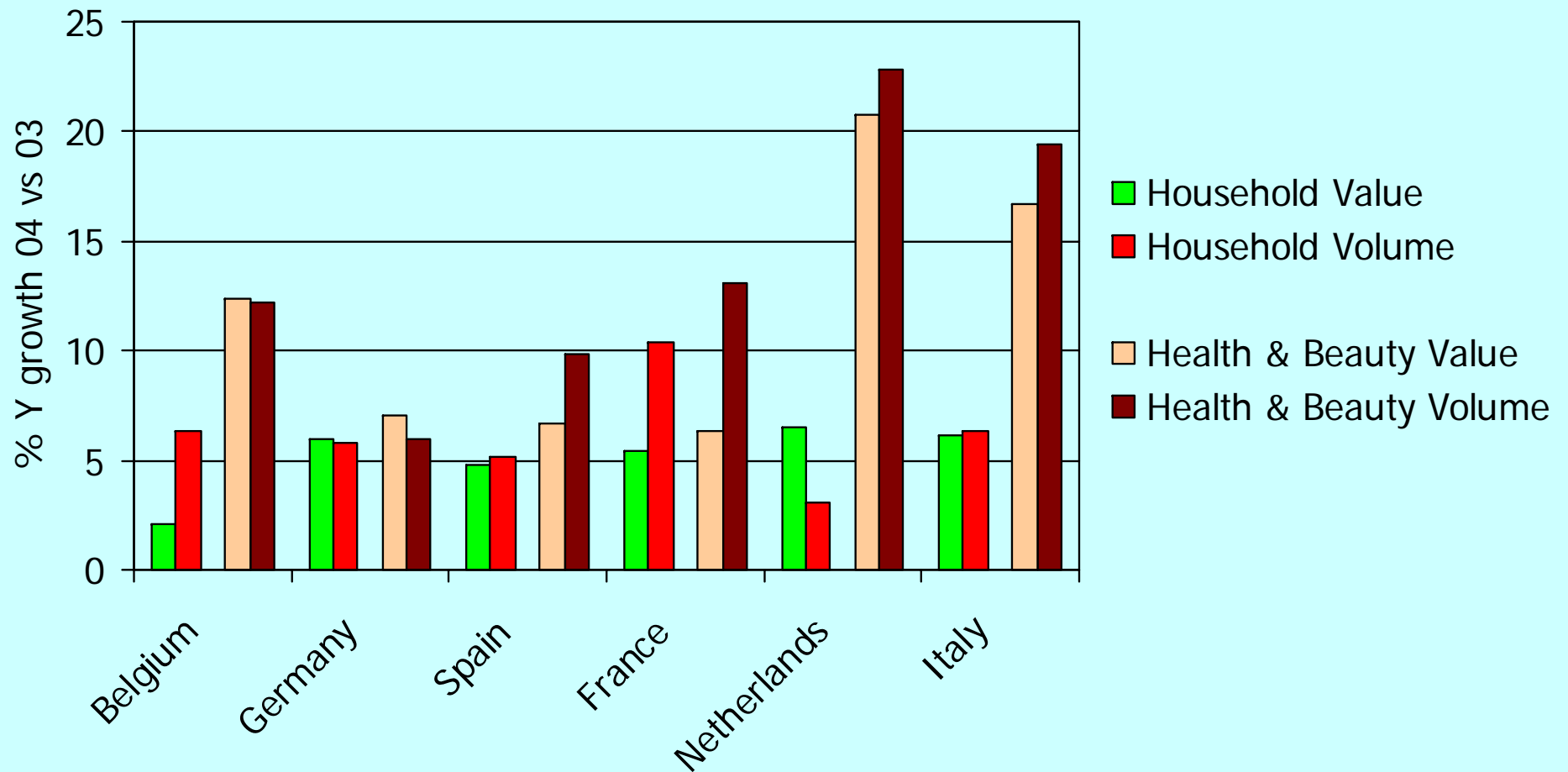


Source: PLMA Yearbook 2005

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Private Label still demonstrating strong growth across Europe



Source: PLMA Yearbook 2005





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Key Drivers of Private Label Growth are:

- Retail Concentration
- Multinational Retailers presence in market
- Discount Sector Growth
- Consumer Propensity to Buy

UK Top 4 Retailers Increase Concentration

	Market Share (£)	
	2004 *	2005 *
	27.9%	30.3%
	16.5%	16.4%
	15.6%	15.9%
	14.1%	11.8%
	74.1%	74.4%

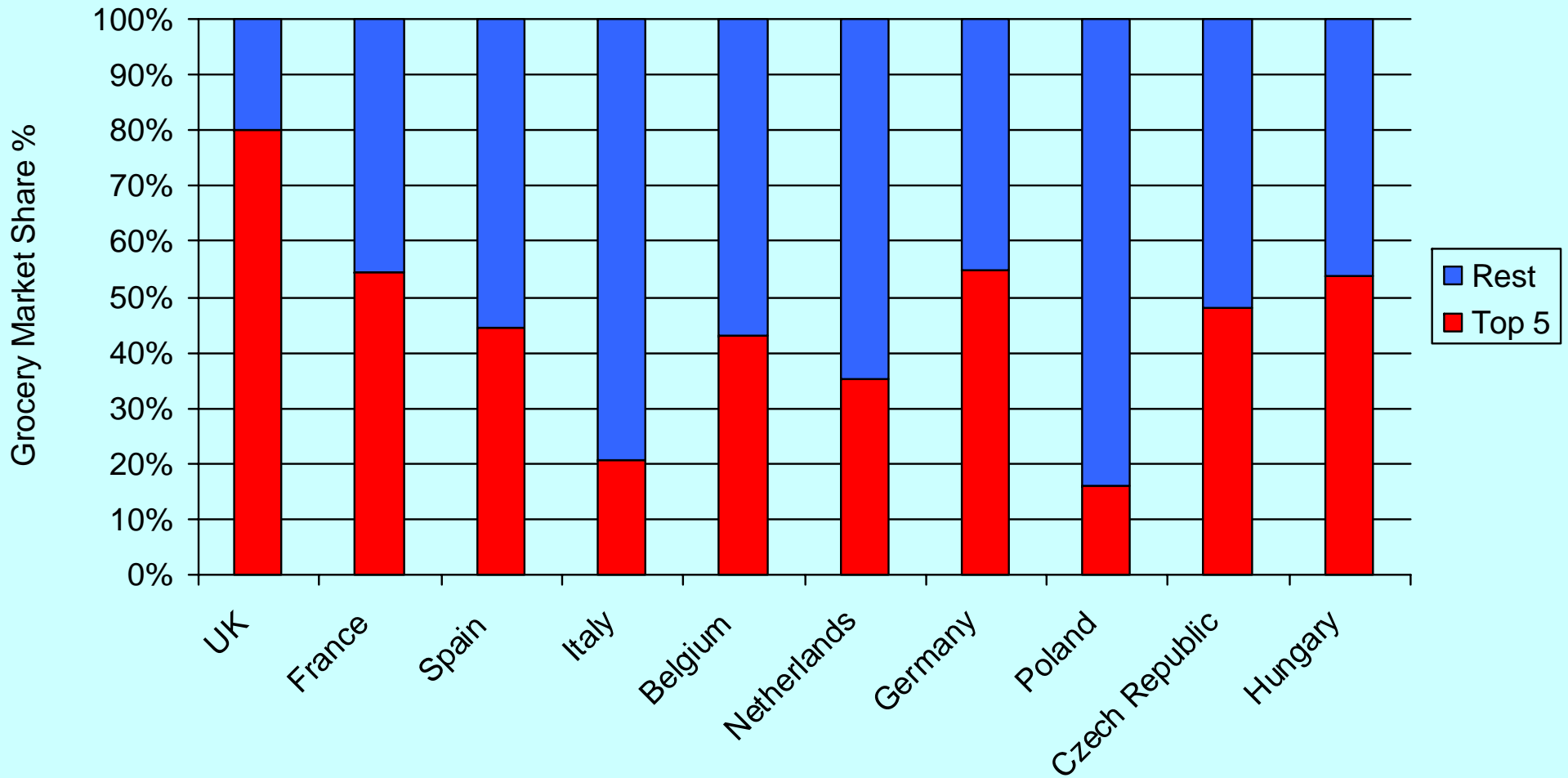
* 12wks Ending 19th June

Source TN Sofres

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Top 5 retailers share of Grocery sales 2004

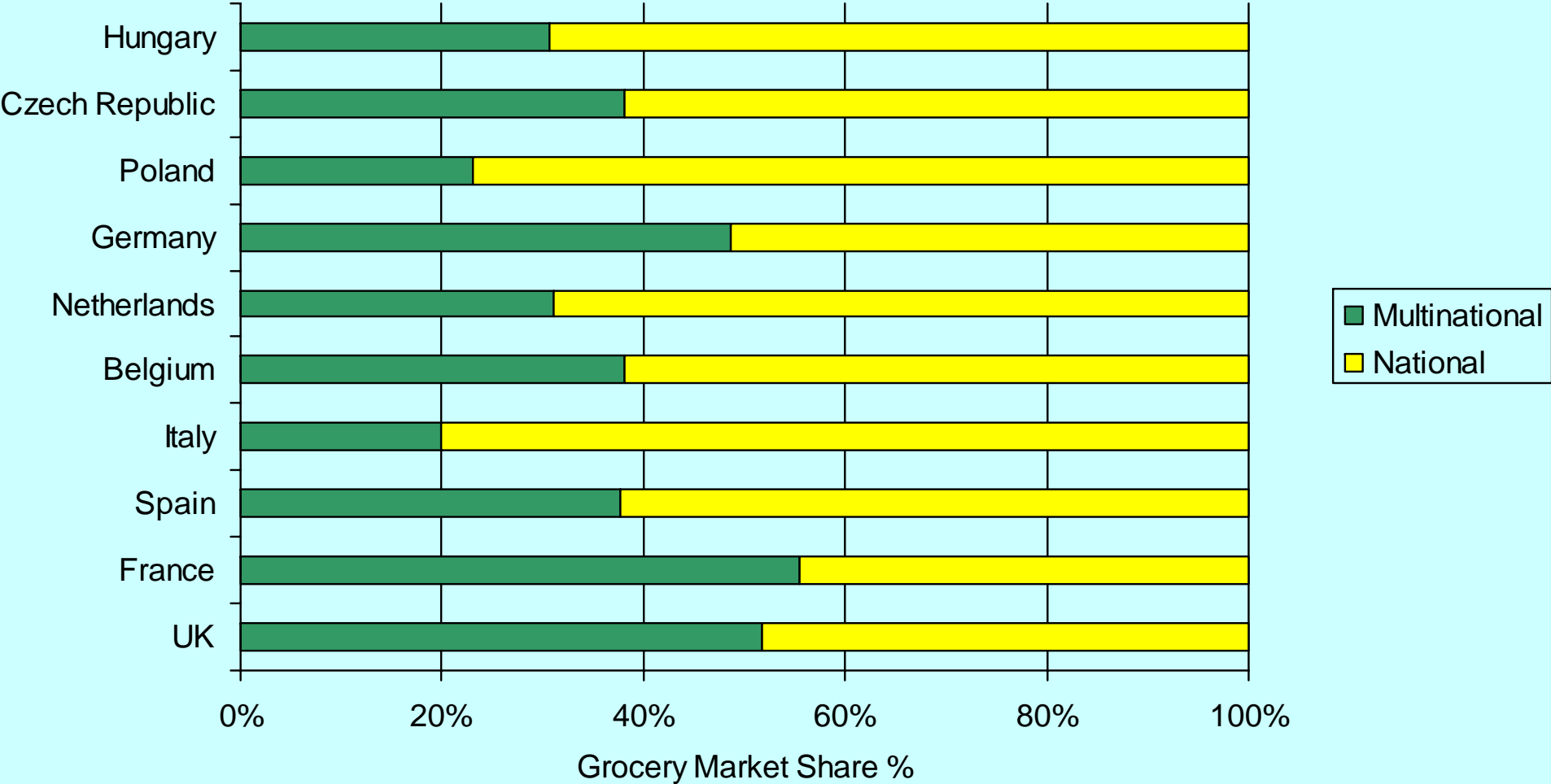


Source: IGD - Europanel

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Multinational retailers influence is growing throughout Europe



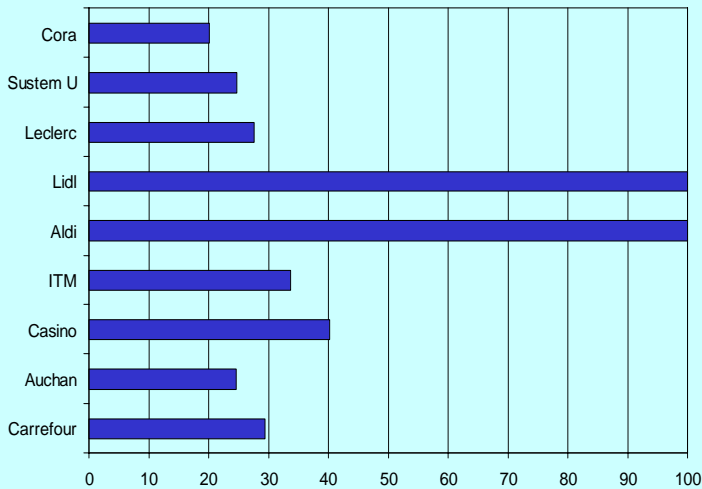
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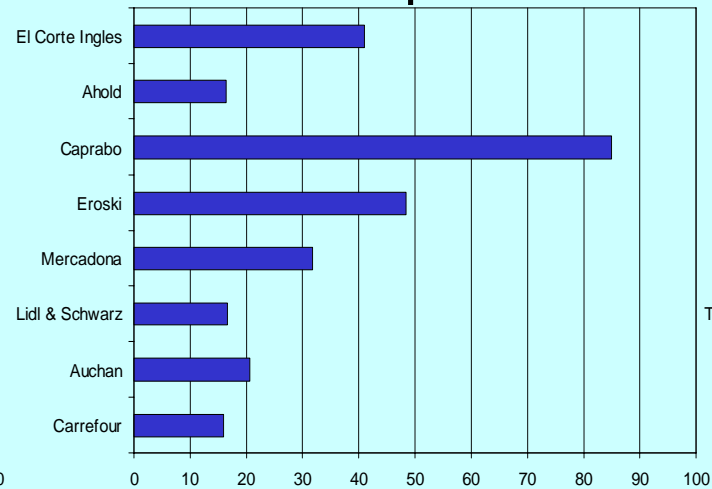


Retailer Private Label Shares by Country - 2004

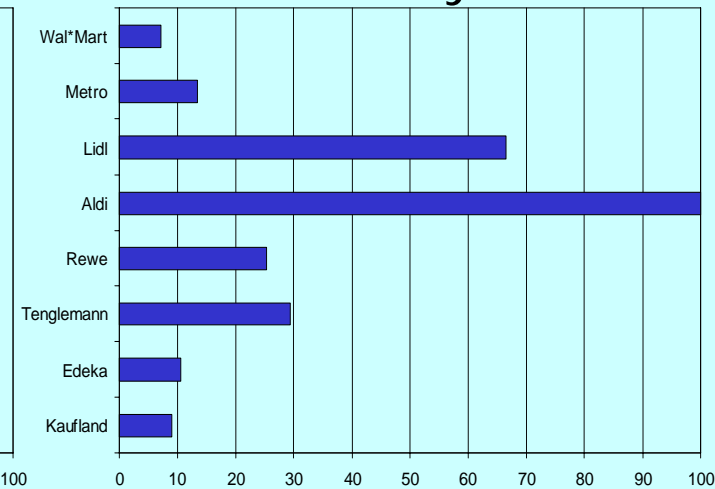
France



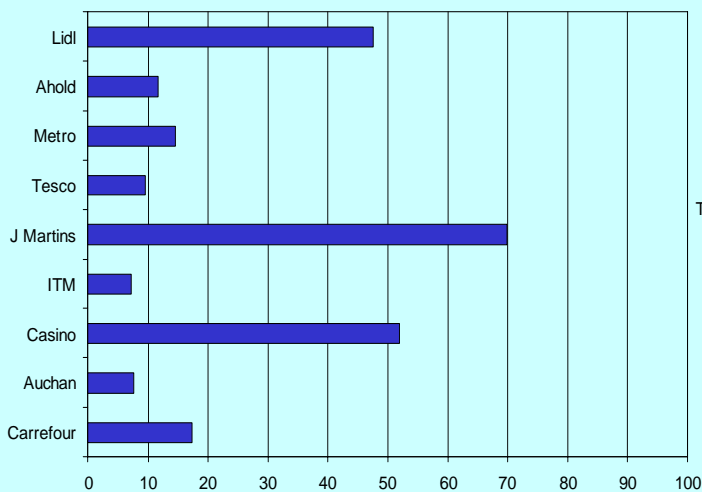
Spain



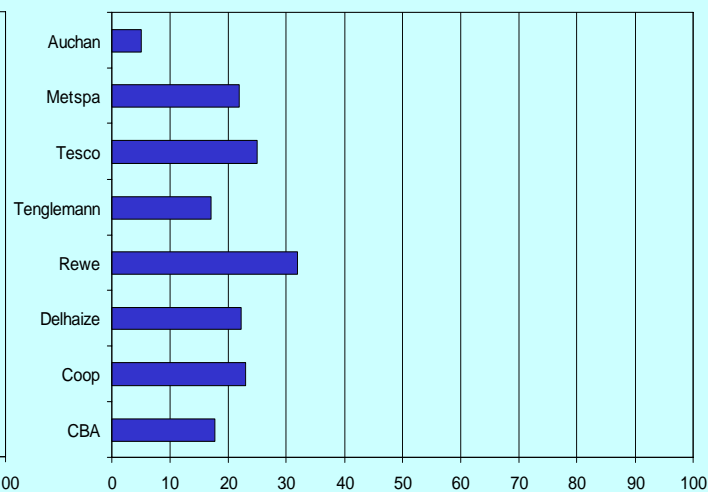
Germany



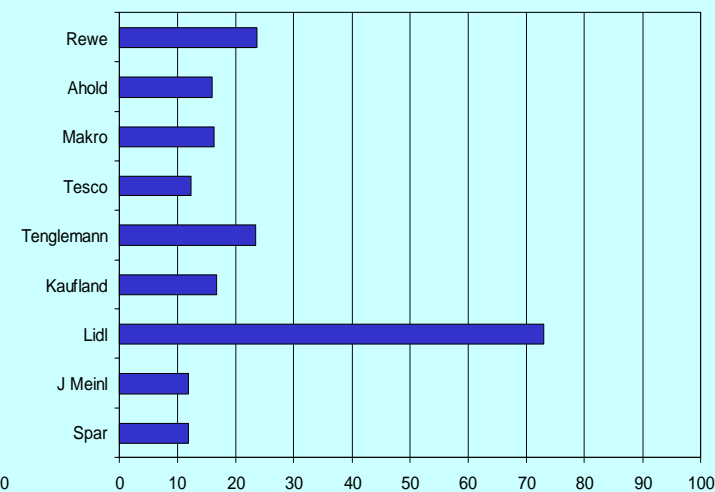
Poland



Hungary



Czech



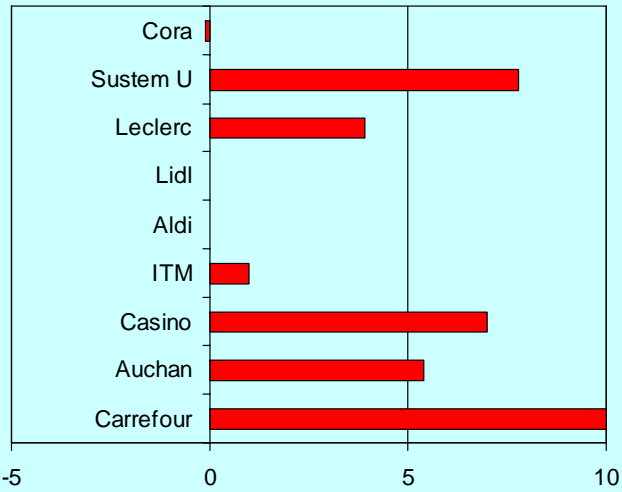
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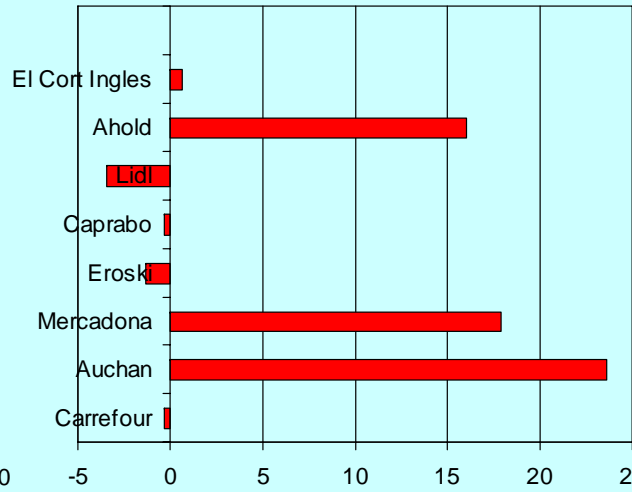


Private Label share change 2003/04

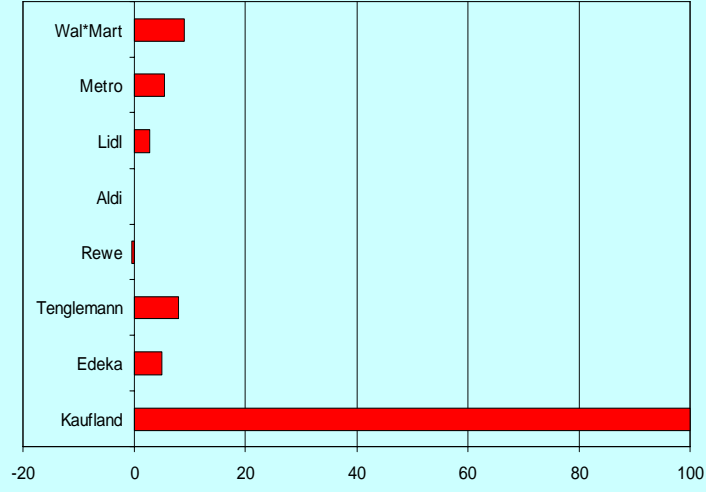
France



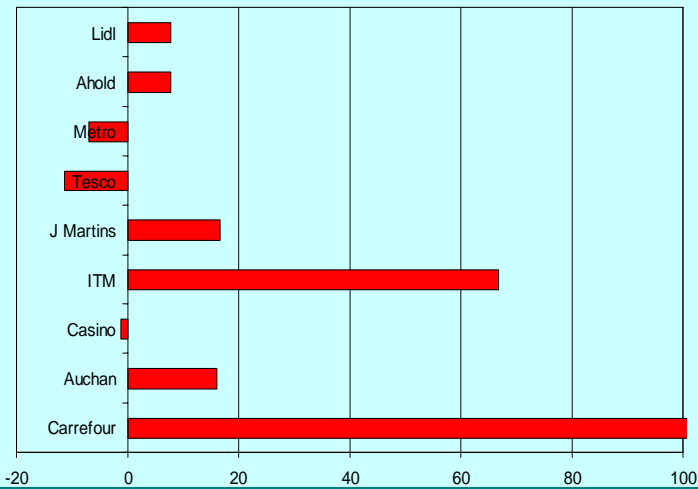
Spain



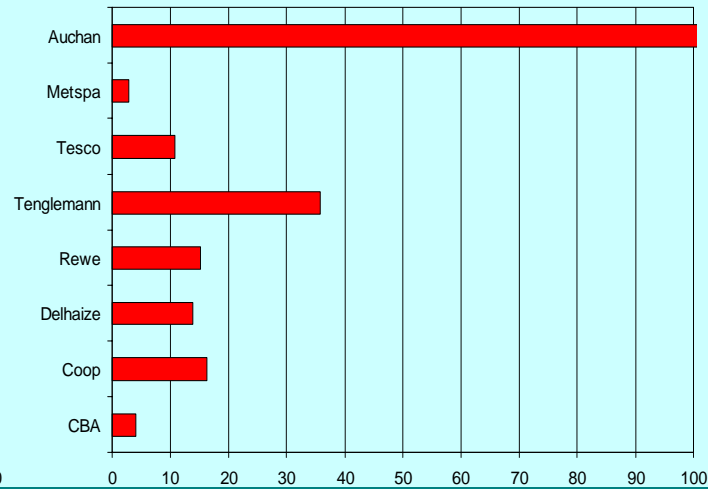
Germany



Poland

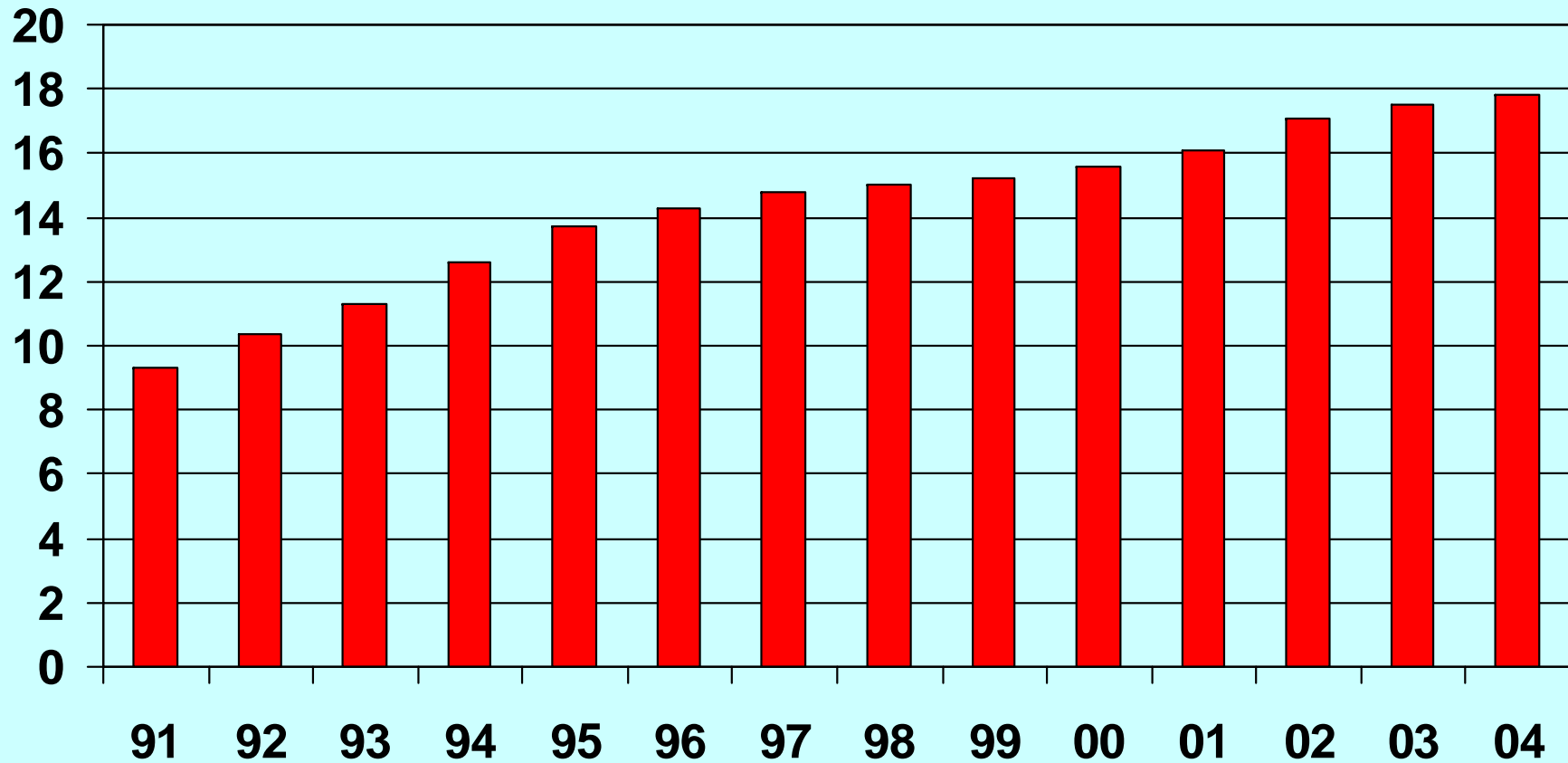


Hungary



Source: IGD - Europanel

Combined Hard and Soft Discounters reached 17.8% of the European market in 2004

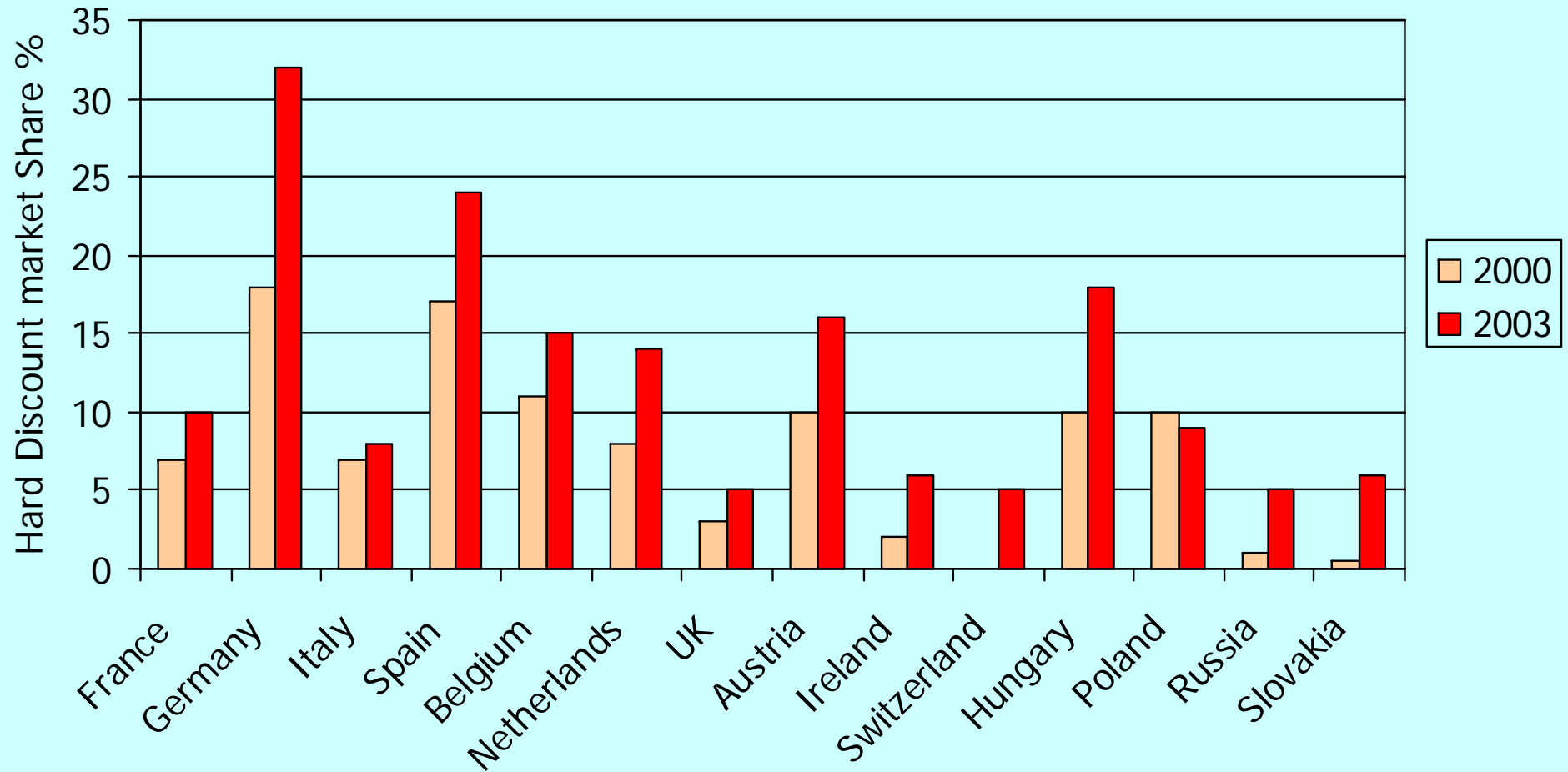


Source: IGD

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Hard Discounter Market Share Development



Source: AiMark/ Europanel, Business Insights Ltd
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Influences on Consumer Choice

- Advertising Activity of Major Brands
- Perceived Brand Value
- Association with the category - Trust
- New Product Development Activity
- Packaging difference
- Quality Gap