

McBride plc
2008-09 full year results presentation

September 2009



Passionate about Private Label

Introduction

Iain Napier - Chairman



Passionate about Private Label

Introduction

- » A return to:
 - organic sales growth
 - recovery in operating margins
 - improved return on capital employed
- » Dividend up 7%
- » Good start to new year



Summary

Miles Roberts



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Summary

- » Private Label grew share in all markets
- » Organic revenue up 4%, core categories up 7%
- » Increased investment in NPD, service and efficiency
- » Margin recovery, expansion in Europe
- » Strong cash generation
- » Return on capital employed 17.1%
- » Dividend up 7%
- » Good start to new year



Financial review

Paul Bergin - Interim Finance Director



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Financial headlines

| | 2008-09 | 2007-08 | Y/Y |
|-------------------------------------|---------|---------|----------|
| Revenue (£m) | 792.4 | 700.9 | +13% |
| EBIT (£m) | 36.2 | 27.0 | +34% |
| EBIT margin | 4.6% | 3.9% | +0.7 pts |
| Profit for the year (£m) | 23.2 | 15.6 | +49% |
| Diluted earnings per share (pence) | 12.8 | 8.6 | +49% |
| Dividend per share (pence) | 6.0 | 5.6 | +7% |
| EBITDA (£m) | 60.0 | 48.8 | +23% |
| Cash generated from operations (£m) | 61.8 | 49.4 | +25% |
| Net debt (£m) | 82.4 | 103.3 | -20% |

(1) All figures before amortisation of intangible assets and exceptional items



Financial KPIs

| | <u>2008/09</u> | <u>2007/08</u> |
|------------------------|----------------|----------------|
| Organic revenue growth | +4% | -2% |
| EBIT margin | 4.6% | 3.9% |
| EPS growth | +49% | -32% |
| Net current assets * | £6.9m | £16.9m |

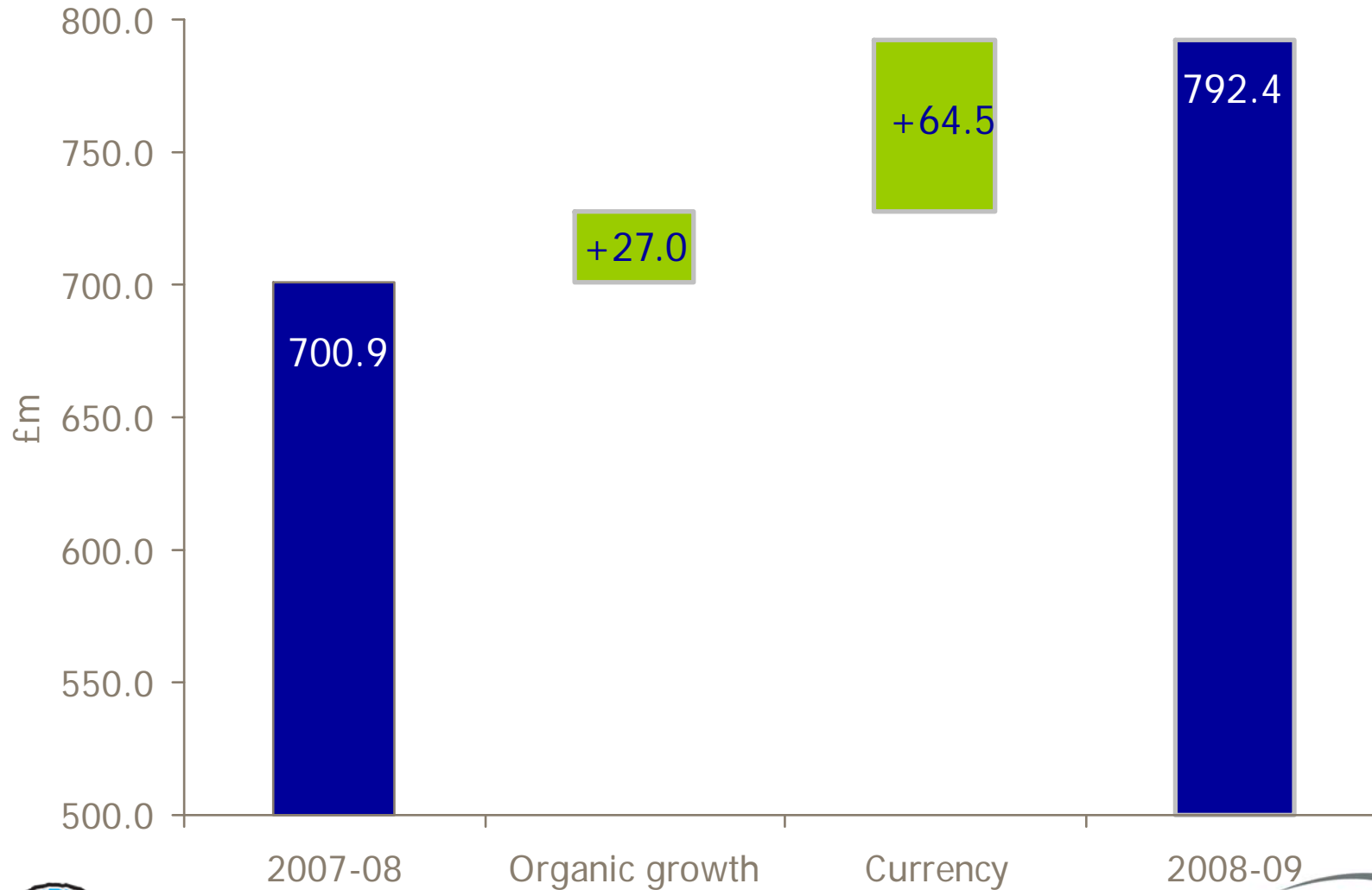
| | | |
|----------------|-------|-------|
| ROCE | 17.1% | 12.8% |
| EBIT margin | 4.6% | 3.9% |
| Asset turnover | 3.7 | 3.3 |

All figures before amortisation of intangible assets and exceptional items

(*) Excluding net cash / debt



Revenue bridge 2007-08 to 2008-09



Income statement

| | 2008-09 | 2007-08 | Y/Y |
|-------------------------------|----------------|---------|------------------|
| Revenue | 792.4 | 700.9 | + 13% |
| Gross profit | 268.2 | 230.0 | + 17% |
| Gross margin | 33.8% | 32.8% | + 1.0 pts |
| Distribution costs | (52.7) | (47.2) | + 12% |
| Administrative costs | (179.3) | (155.8) | + 15% |
| EBIT | 36.2 | 27.0 | + 34% |
| Net financing costs | (5.2) | (5.7) | -9% |
| Profit before taxation | 31.0 | 21.3 | + 46% |

(1) All figures are before amortisation of intangible assets and exceptional items



Regional performance

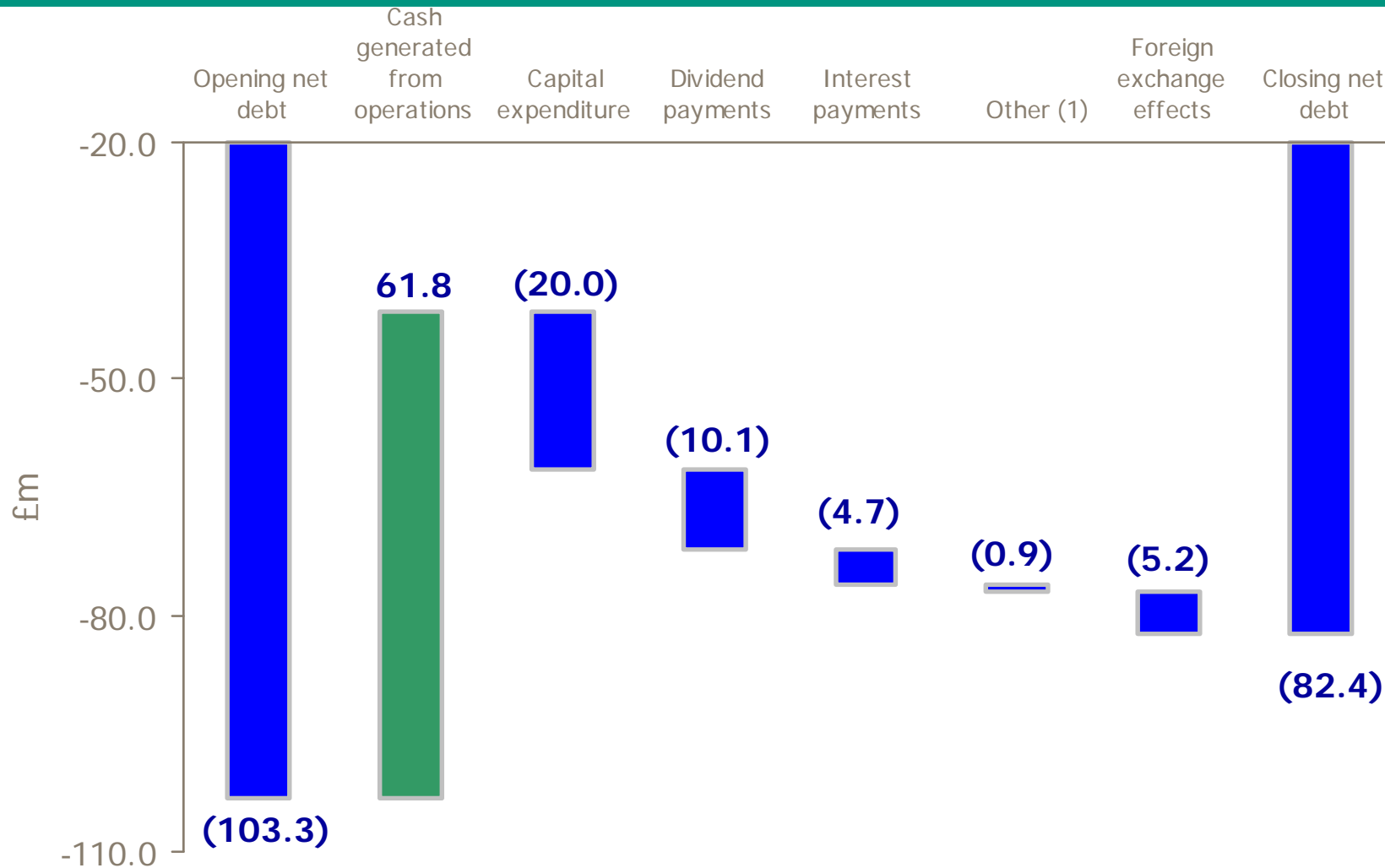
| | Revenue ⁽¹⁾ | | | Operating profit ⁽¹⁾⁽²⁾ | | |
|-----------------------------------|------------------------|---------|-------------|------------------------------------|---------|-------------|
| | 2008-09 | 2007-08 | Y/Y | 2008-09 | 2007-08 | Y/Y |
| | £m | £m | | £m | £m | |
| UK | 311.4 | 297.3 | +5% | 16.2 | 15.2 | +7% |
| Western Continental Europe | 469.8 | 395.4 | +19% | 20.9 | 11.4 | +83% |
| Eastern Continental Europe | 33.2 | 32.1 | +3% | 2.0 | 2.1 | -5% |
| Sub-total | 814.4 | 724.8 | +12% | 39.1 | 28.7 | +36% |
| Intergroup/corporate | (22.0) | (23.9) | n/a | (2.9) | (1.7) | n/a |
| Total | 792.4 | 700.9 | +13% | 36.2 | 27.0 | +34% |

(1) Revenue and operating profit by geographic origin

(2) All figures are before amortisation of intangible assets and exceptional items



Movement in net debt June 2008 to June 2009



(1) Other includes tax payments, payments re exceptional items, share issues, asset disposals, acquisitions and return of consideration for a previous acquisition



Cash Generation 2009

| £m | <u>2009</u> |
|--------------------------------|-------------|
| Cash generated from operations | 61.8 |
| Other net outflows | (25.6) |
| <hr/> | |
| Free cash flow | 36.2 |
| <hr/> | |
| Dividends | (10.1) |
| Exchange | (5.2) |
| <hr/> | |
| Debt reduction | (20.9) |
| <hr/> | |
| Opening net debt | (103.3) |
| Closing net debt | (82.4) |



Business review

Miles Roberts



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Agenda

- » Strategy
- » Markets
- » Achievements
- » Outlook



Strategy

Lead the growth of Private Label Household and Personal Care products in Europe



Commercial leadership

Attractive product categories

New product development

Category development

Growth retail and geographic sectors

Operational leadership

Customer service excellence

Improve efficiency

Continuous cost management

Optimise working capital and asset base

Enabling

High performance leadership and culture

Leverage increasing scale

Develop and leverage technology platform

Complementary acquisitions

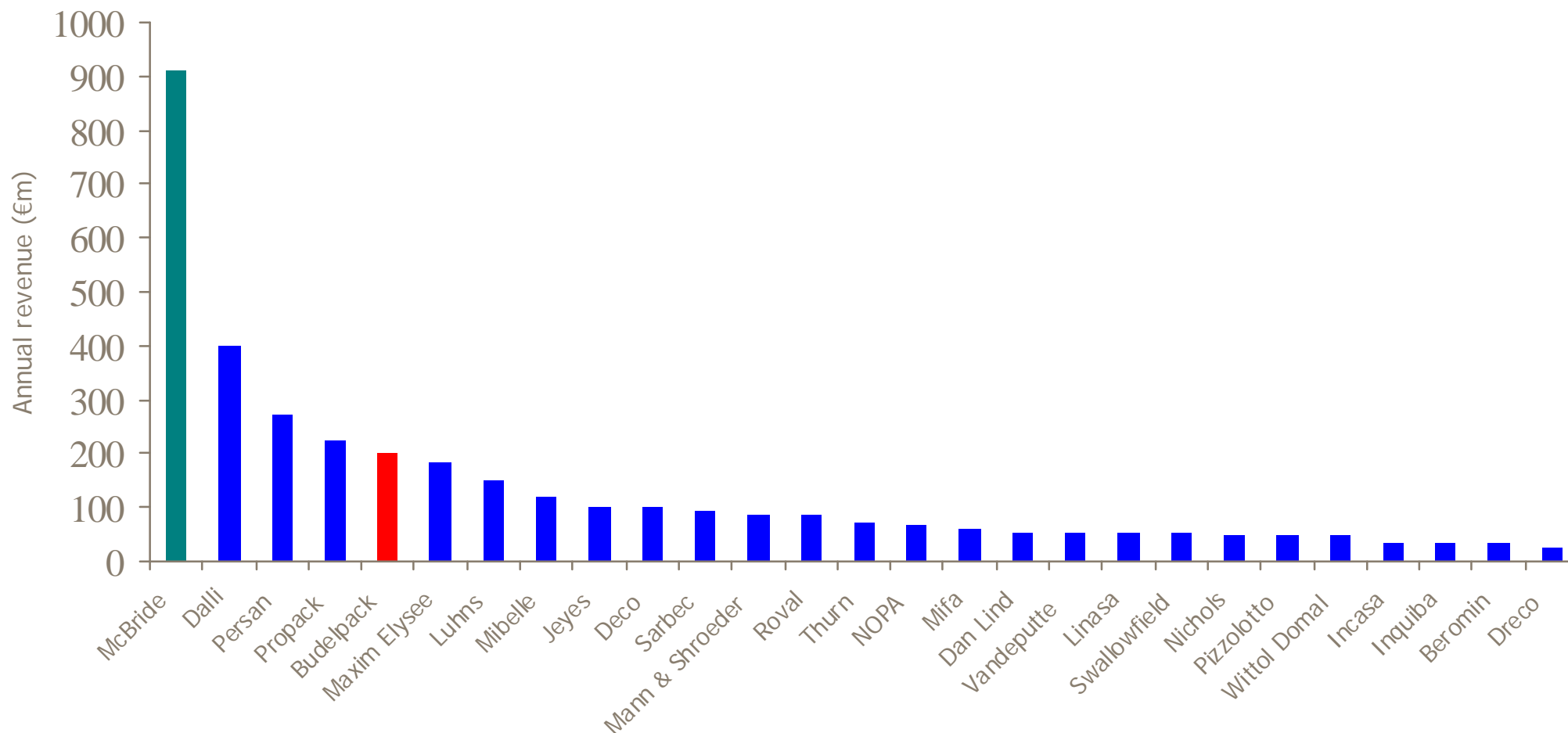


European Household and Personal Care markets

- » Household and Personal Care markets in Western Europe worth £59 billion and growing 2% pa
- » Household and Personal Care markets in Eastern Europe worth £16 billion growing at 13% pa



McBride is the clear leader in European Private Label Household and Personal Care



■ In liquidation
 ■ McBride
 ■ Others PL/ Contract revenue
 Estimated Private Label business



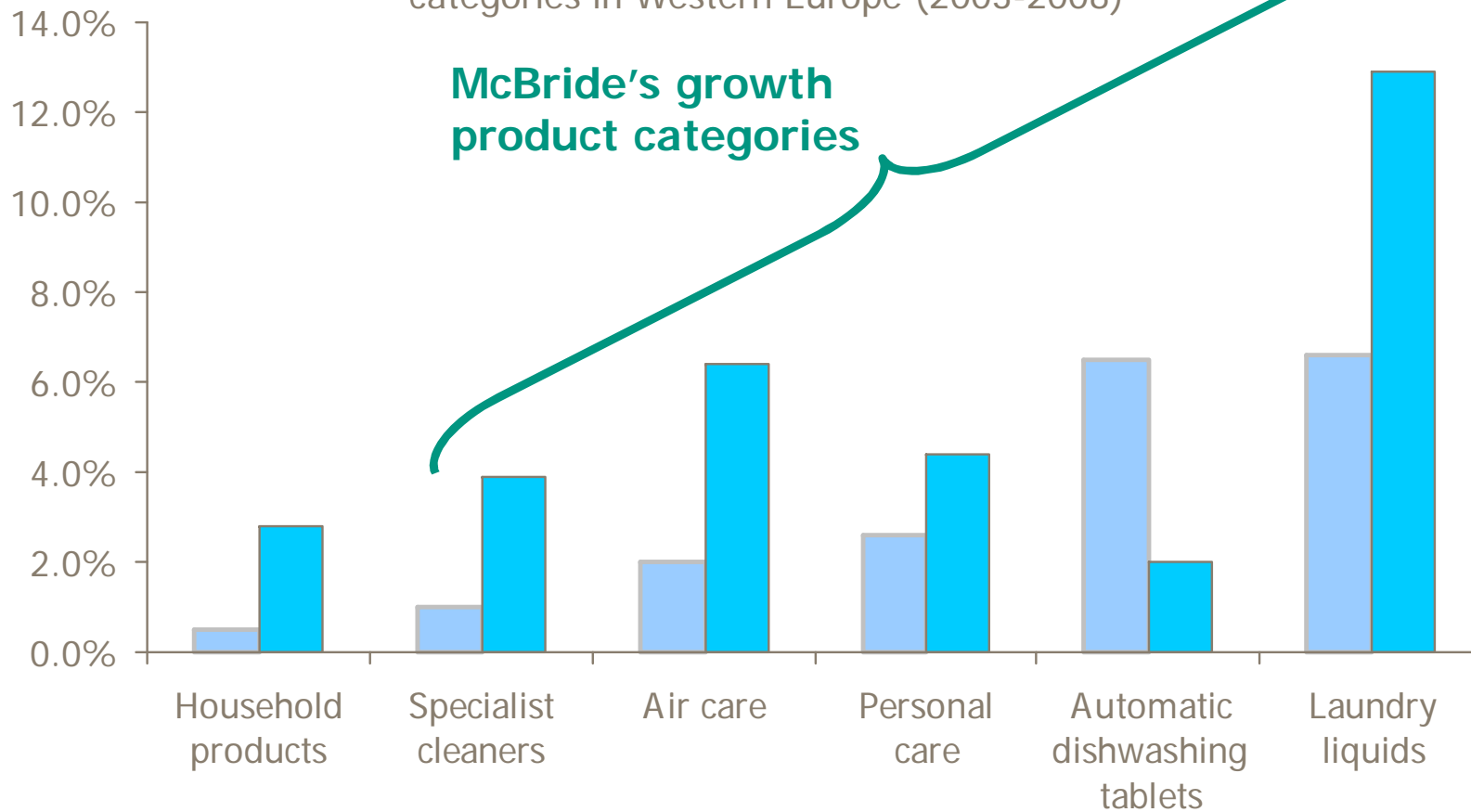
Private Label is growing in all markets

- » Private Label products give best balance between performance and price
- » Consumers are increasingly price sensitive and willing to switch purchases
- » Retailers re-emphasising Private Label ranges
- » Private Label gaining share in all markets
- » Higher growth in McBride's priority categories



McBride's growth product categories - attractive growth potential

Compound annual growth rates for various product categories in Western Europe (2003-2008)



McBride's growth product categories

■ Total market ■ Private Label market

Source: Euromonitor

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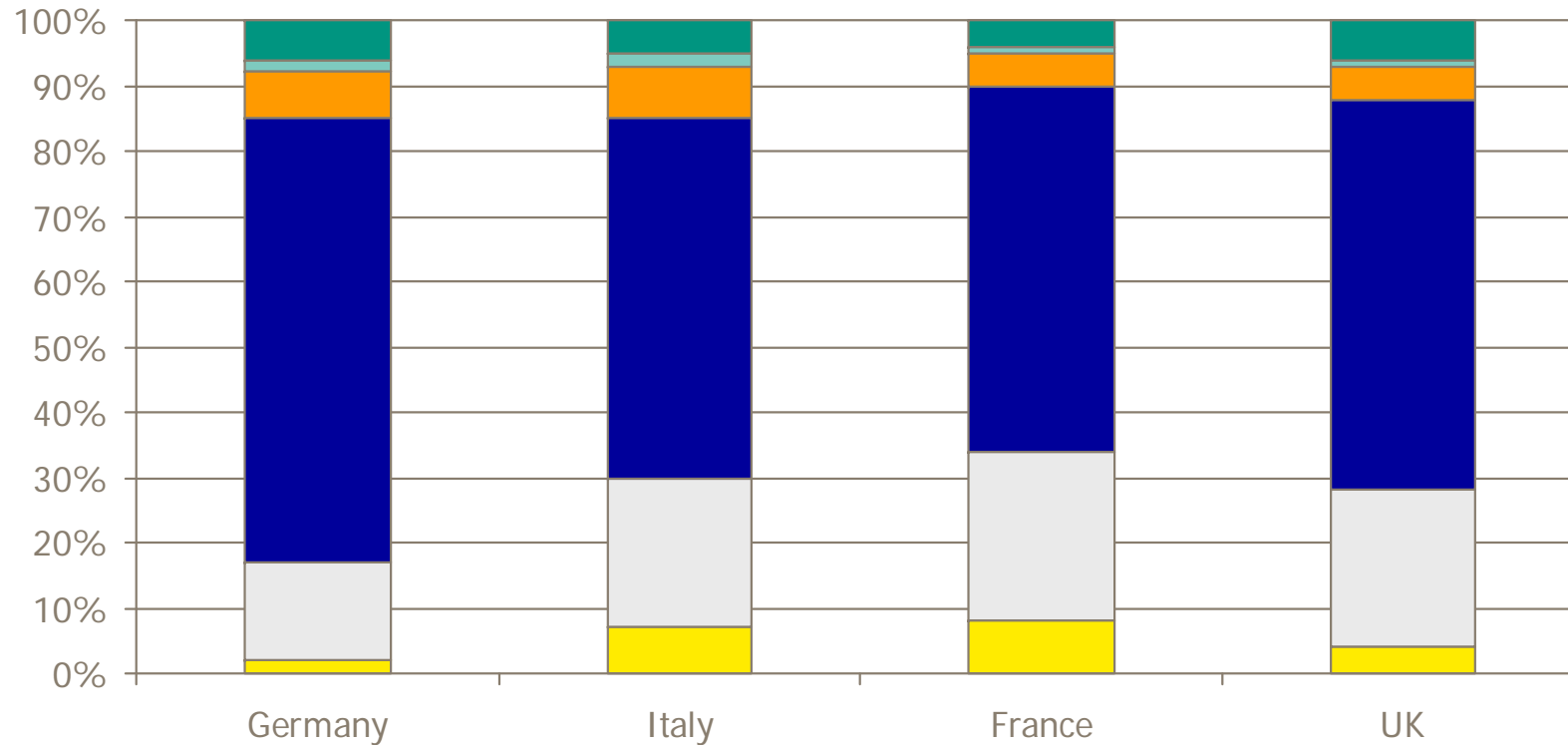


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Consumers accept that Private Label Household products are equivalent to the leading brands

Question: All things considered, how similar are store brands (e.g supermarket own brands) in the following categories compared to well know leading famous brands

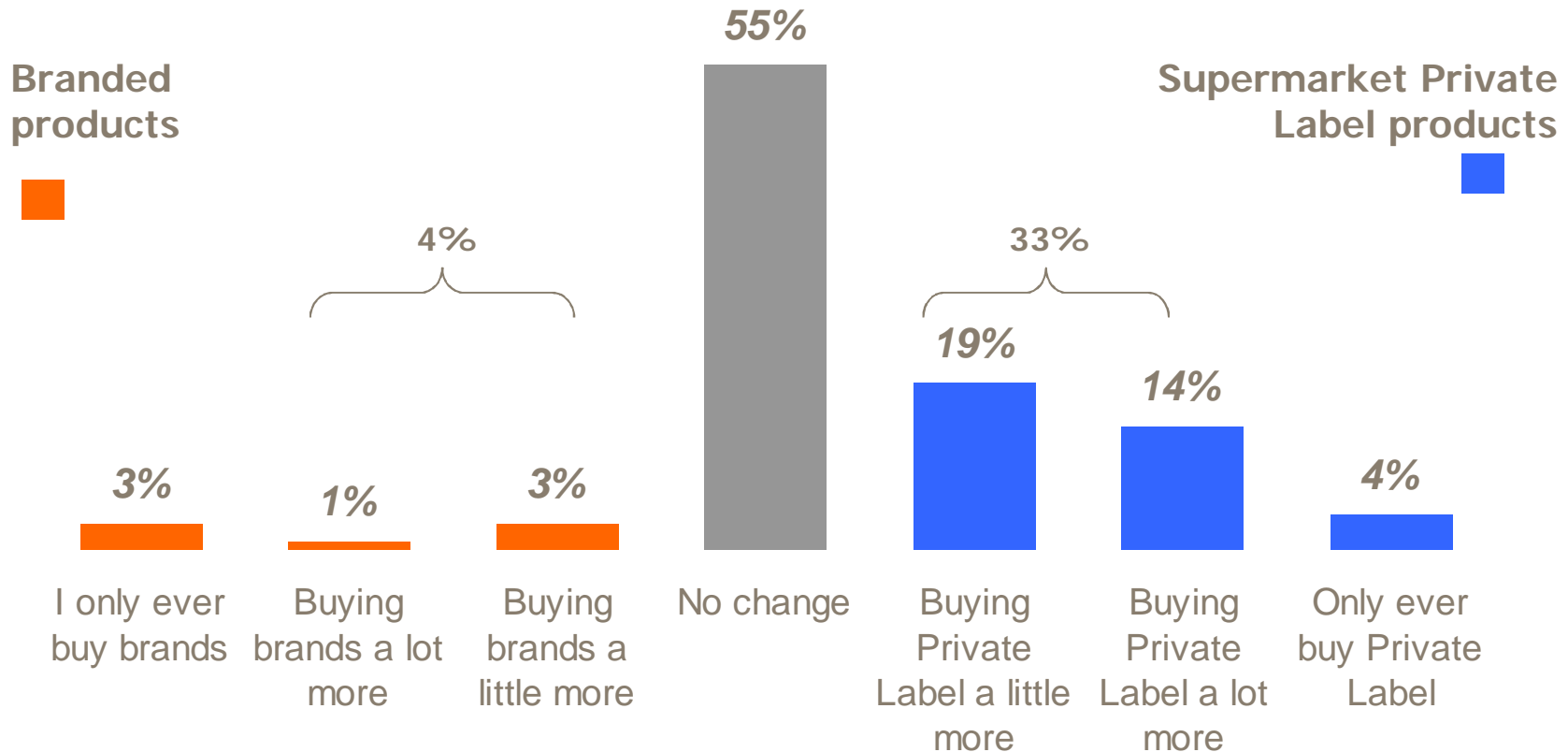


Household Cleaning products
 Source : Datamonitor Consumer Survey April 2009
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British consumers buying more Private Labels

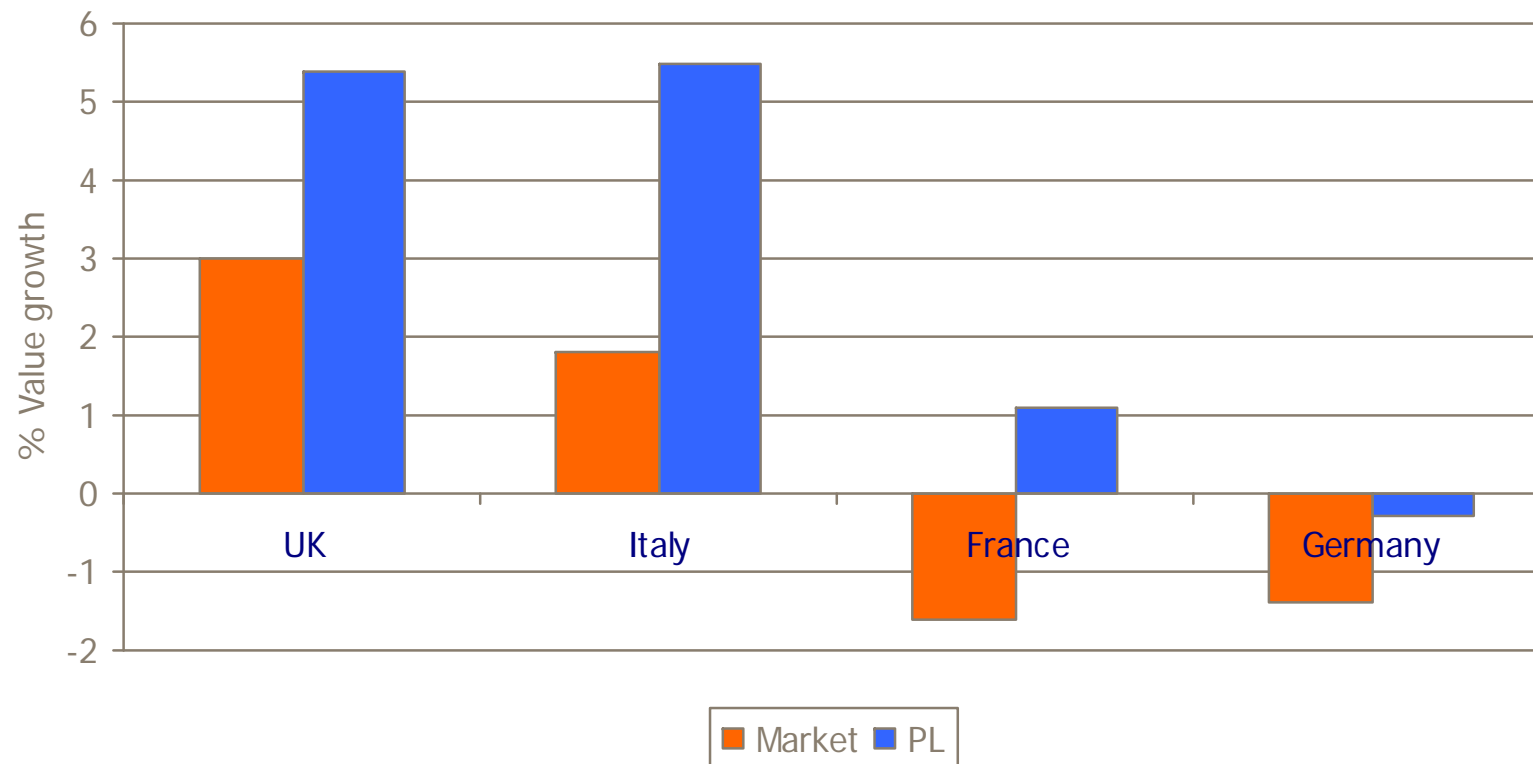


1% Don't know

Source: IGD Consumer Unit, 2009



Private Label Household products growth outperforming the market

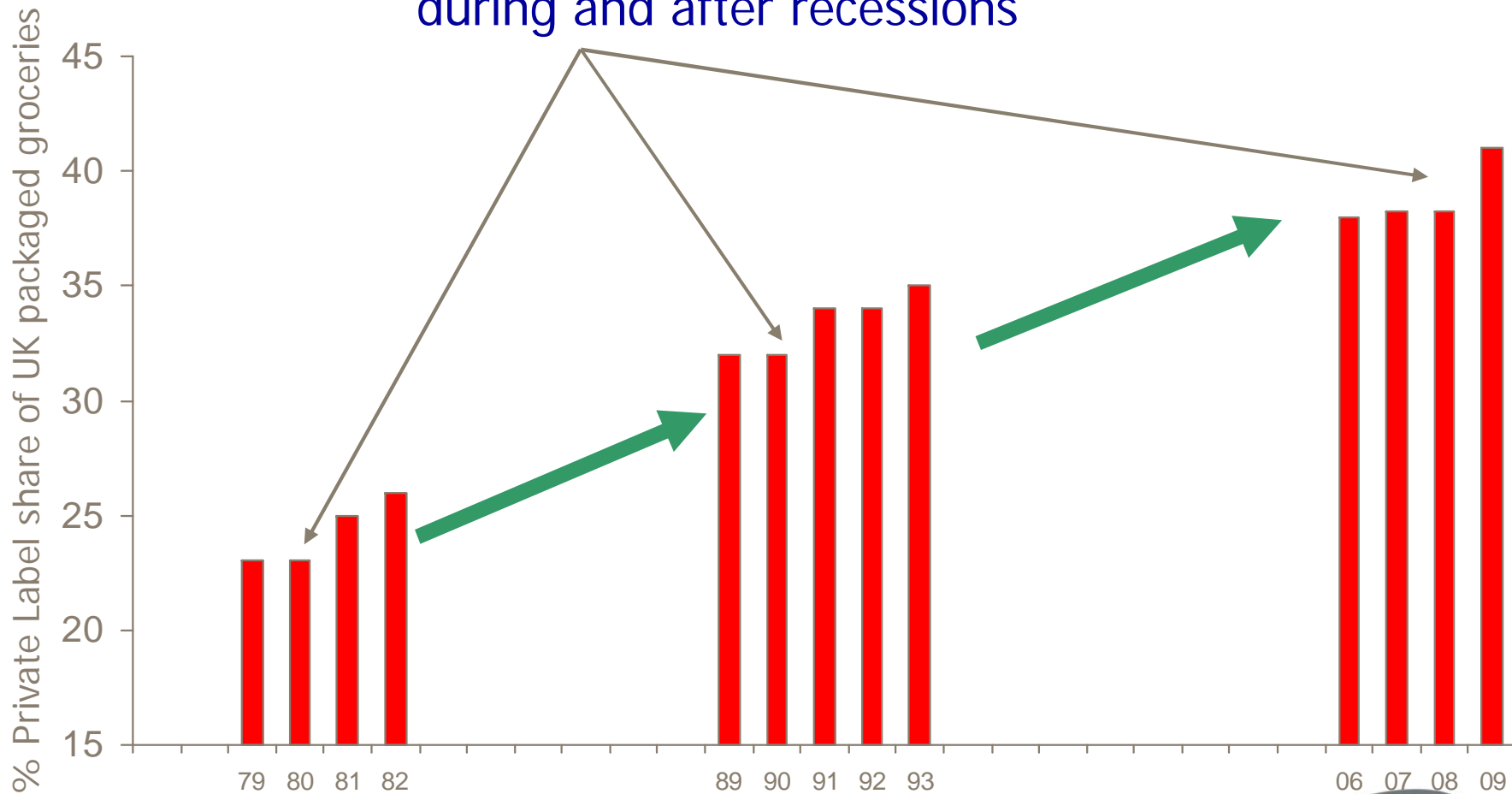


Sources: UK TNS to June 09
France TNS to June 09
Italy IRI to June 09
Germany Gfk to March 09



Private Labels benefit in times of recession

Private Labels gain and continue to grow share during and after recessions



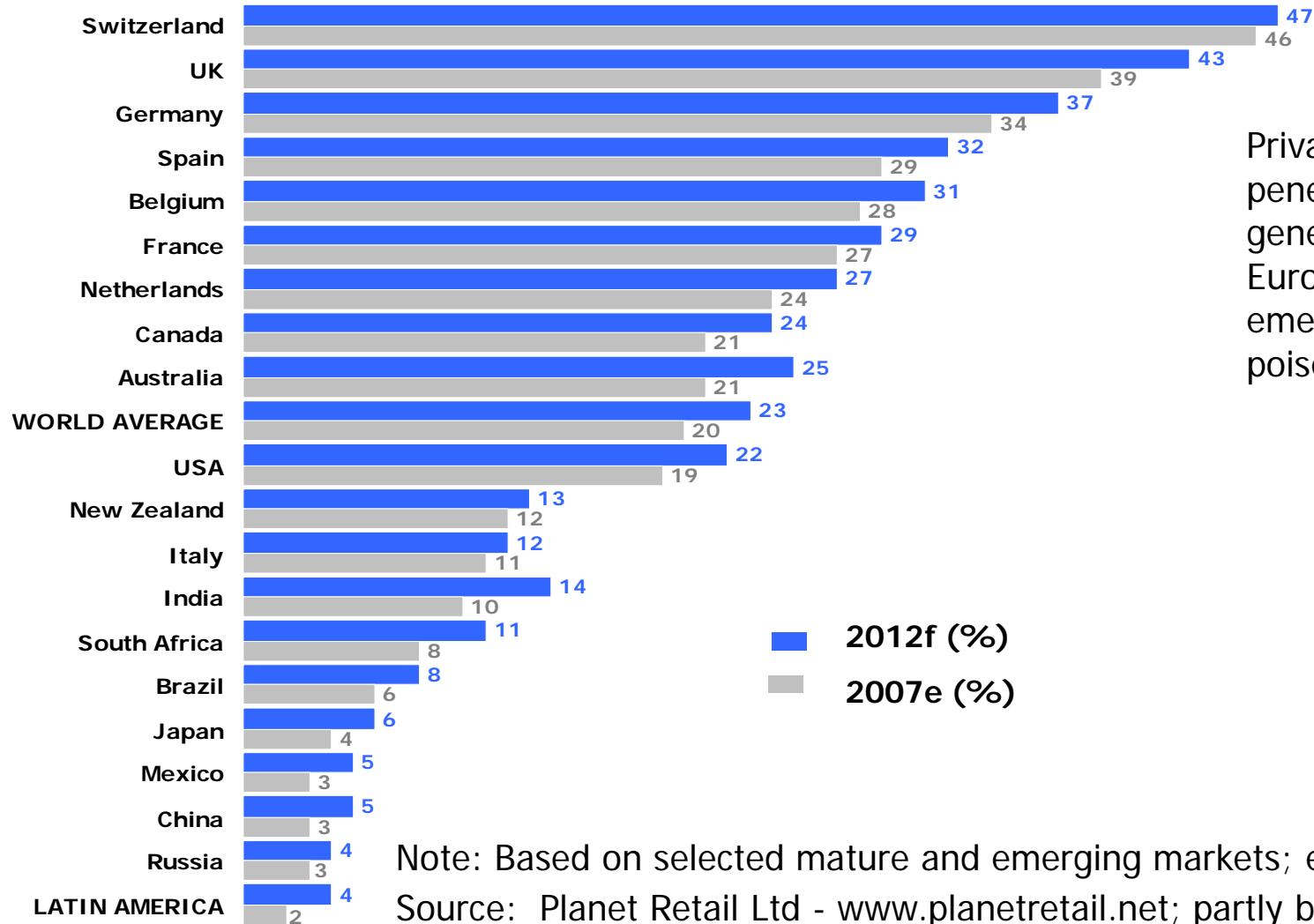
Source TNS, Datamonitor



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Private Label is forecast to gain share worldwide



Private Label penetration is generally highest in Europe and lower in emerging markets, but poised to grow fast.

Note: Based on selected mature and emerging markets; e – estimate; f - forecast.
 Source: Planet Retail Ltd - www.planetretail.net; partly based on AC Nielsen



Achievements

Growth

- » Organic growth +4%, core categories +7%
- » New business wins
- » High potential territories - Central and Eastern Europe
- » Small acquisition of sachet assets
- » Evaluating further acquisition opportunities

Innovation

- » Innovative NPD
 - sachets, gels, automatic dishwashing, Personal Care
- » R&D spend up to £7m
- » Focus NPD on product performance, value, packaging and eco

Efficiency

- » Restructuring and efficiency initiatives
 - closure of Coventry, Warrington
- » WCE overhead restructuring
- » Further efficiencies from Lean and asset rationalisation

Scale

- » Customer Service Level up to 97%
- » Scale advantages from pan European supply, NPD, systems, purchasing, people
- » Capital investment



Achievements

People

- » Performance and talent management processes
- » Strengthened new divisional MD's
- » Employee morale up by 4%

Sustainability

- » Waste recycled, recovered and reused up 1% to 67%
- » Water consumption reduced by 8% year on year
- » Total waste generated fell 3%
- » Energy consumption and CO₂ emissions fell by 6%

Finance

- » Margins recovering, asset turnover improved
- » Net debt down to £82.4m
- » ROCE up to 17.1%



Key objectives

To enhance returns to shareholders through:

- » Further investment in NPD of core categories
- » Focus in high growth markets
- » Target improved customer service
- » Further efficiency improvements
- » Continue to seek suitable acquisitions



Conclusion and Outlook

- » Continuing Private Label growth in all markets
- » Strategy consistently applied
- » Benefiting from stronger and larger business
- » Recovery of margins and ROCE
- » Good start to current year



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“Passionate about Private Label”



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