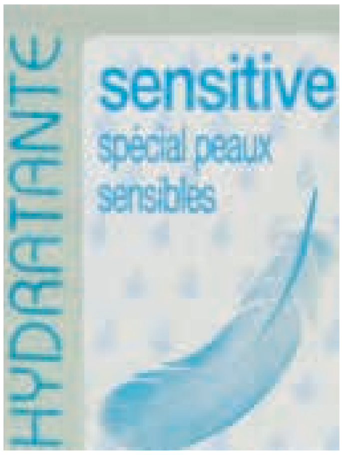


Adapting in a changing environment

McBride plc Annual Report and Accounts 2014
Strategic Report

McBride

WELCOME TO OUR STRATEGIC REPORT

The McBride plc Annual Report this year is presented in two parts. The Strategic Report contains information about the Group, how we run the business and how we create value. It includes our strategy, business model, markets and key performance indicators, as well as our approach to governance, sustainability and risk management. It also includes a summary of our financial management and performance.

The Governance and Financial statements contains details about how we run the business and remunerate executive management, and how we organise ourselves financially.

On-line you can find more information about our markets, including case studies illustrating how we create, develop, manufacture and supply Private Label Household and Personal Care products for our customers.

Our eleventh Sustainability Report is also available on-line.

Cautionary statement
This Annual Report has been prepared for the shareholders of McBride plc, as a body, and no other persons. Its purpose is to assist shareholders of the Company to assess the strategies adopted by the Group and the potential for those strategies to succeed and for no other purpose. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

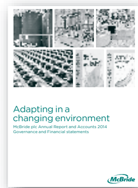
This Annual Report contains certain forward-looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated.

No assurances can be given that the forward-looking statements in this Strategic Report will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Strategic Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be constituted as a profit forecast.

Strategic and Directors' Reports
The Strategic Report and pages 1 to 32 inclusive of the Governance and Financial statements form a Directors' Report. Both the Directors' Report and Strategic Report have been drawn up and presented in accordance with English company law and the liabilities of the Directors in connection with those reports shall be subject to the limitations and restrictions provided by such law. In particular, the Directors would be liable to the Company (but not to any third party) if the Strategic Report and/or Directors' Report contain errors as a result of recklessness or knowing misstatement or dishonest concealment of a material fact, but would not otherwise be liable.

Strategic Report

Governance and Financial statements



On-line reporting

A copy of our Strategic Report and the Governance and Financial statements can be downloaded from: **www.mcbride.co.uk/investors/results-reports/financial-reports**

Our Sustainability Report is also available on-line at: **www.mcbride.co.uk/our-responsibilities/reports**

McBRIDE PLC MARKET LEADER

We are Europe's leading provider of Private Label Household and Personal Care products, developing, producing and selling our products to leading retailers throughout Europe and beyond.

Our mission is to continue growing as the leader in Private Label Household cleaning and Personal Care products in Europe and extend our 'Passion about Private Label' to the developing and emerging retail markets of Central and Eastern Europe (CEE) and Asia Pacific.

During 2013/14 we have been faced with some tough economic challenges, particularly around sustained branded promotional activity, weak demand in our core Western European markets and competitive price pressure.

However, our business model is adaptive and responsive to the ever-changing environment in which we operate.

Go to our business model section for further details on pages 12 and 13.

49/50

McBride supplies Private Label Household and Personal Care products to 49 of Europe's 50 leading retailers.

2014 HIGHLIGHTS

Financial highlights

Revenue

£744.2m
(2013: £761.4m)

See page 23

Adjusted operating profit(3)

£22.0m
(2013: £23.6m)(1)

See page 24

Adjusted operating margin

3.0%
(2013: 3.1%)(1)

See page 24

Operating (loss)/profit

£(13.9)m
(2013: profit £15.0m)(1)

See page 24

Operating margin

(1.9%)
(2013: 2.0%)(1)

Diluted earnings per share

(10.5)p
(2013: 3.0p)(1)

See page 25

Adjusted diluted earnings per share

5.3p
(2013: 7.3p)(1)

See page 25

Full year payment to shareholders

5.0 pence per share
to be remitted through the B Share scheme.

See page 25

Year-end net debt

£84.7m
(2013: £86.8m)

See page 25

Go to the Chief Finance Officer's review for further details on pages 23-27.

Commercial highlights

Core and Future Growth categories

50% of Private Label revenues.
(2013: 49%)

See pages 4 and 20

Share of revenues from developing and emerging markets(2)

11%
(2013: 11%)

See page 15

Continued strong growth in Germany and Poland.

See page 14

First to market with Private Label dual compartment laundry sachets.

See page 18

Major restructuring of UK business announced in June 2014.

See page 22

Go to the Chief Executive Officer's review for further details on pages 14 and 15.

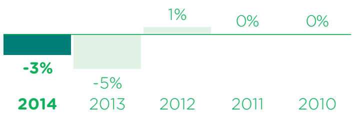
(1) The comparatives have been re-presented due to the adoption of IAS 19 (Revised 2011) 'Employee Benefits'.
(2) Represents sales by destination to the Rest of the World segment.
(3) Operating profit before adjusting items.

KEY PERFORMANCE INDICATORS (KPIs)

Management uses a number of KPIs to measure the Group's performance and progress against its strategic objectives. The most important of these KPIs focus on the five key areas of organic revenue growth, trading profitability, return on capital employed, customer service level and waste efficiency.

Organic revenue growth (%)

(3%)
(2013: (5%))

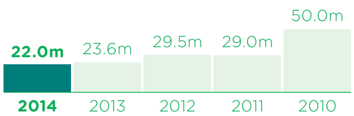


Change in revenue adjusted for the effect of exchange rate movements (constant currency) and the contribution of businesses acquired or sold.

Go to Chief Finance Officer's review for further details on page 23.

Adjusted operating profit (£m)

£22.0m
(2013: £23.6m)*

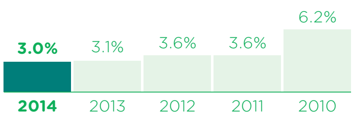


Operating profit before adjusting items.

Go to Chief Finance Officer's review for further details on page 24.

Adjusted operating margin (%)

3.0%
(2013: 3.1%)*

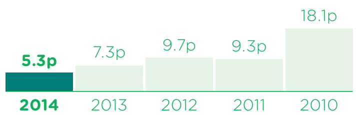


Adjusted operating profit as a percentage of revenue.

Go to Chief Finance Officer's review for further details on page 24.

Adjusted diluted earnings per share

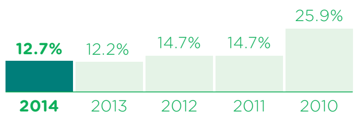
5.3 pence
(2013: 7.3p)*



Profit attributable to shareholders before adjusting items divided by the average number of ordinary shares used for calculating diluted earnings per share.

Return on capital employed (ROCE)

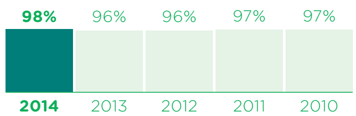
12.7%
(2013: 12.2%)*



Adjusted operating profit as a percentage of average year-end net assets excluding net debt.

Customer service level (%)

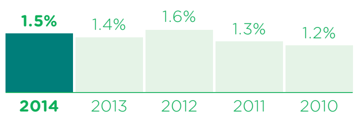
98%
(2013: 96%)



Volume of products delivered in the correct volumes and within agreed timescales as a percentage of total volumes ordered by customers.

Waste efficiency (%)

1.5%
(2013: 1.4%)



Tonnes of waste produced as a percentage of total production tonnage.

Go to the Corporate Responsibility section for further details on page 31.

* The comparatives have been re-presented due to the adoption of IAS 19 (Revised 2011) 'Employee Benefits'.

AT A GLANCE

Key
- Core markets
- Growth engine
- Build for future growth

Group structure
Function

Function			
Commercial including category management	**UK** UK Ireland	**Western Europe** France Iberia Benelux Italy Germany	**Rest of the World** Poland Czech Republic Hungary Turkey Other CEE countries Asia Pacific Malaysia Vietnam Australia China
R&D	**Centres of Excellence**		
Supply chain	**Purchasing** **Logistics**	**Manufacturing** **Quality**	
Support functions	**Finance and Information Systems** **Human Resources**		

Our consumers
Millions of people use the Group's products on a regular basis. Our customers require great value for money products that meet expectations on quality and performance.

Our customers
McBride supplies Private Label Household and Personal Care products to 49 of Europe's 50 leading retailers, including Aldi, Asda, Auchan, Carrefour, Casino, Edeka, Leclerc, Metro, Rewe, Sainsbury's and Tesco. McBride also undertakes contract manufacturing for national and multinational brand owners.

Our suppliers
We rely on a range of suppliers to provide goods and services used in our operations. These include manufacturers of raw material, packaging, production and information technology equipment and energy suppliers.

Our competitors
These comprise a number of smaller and mostly privately owned Private Label and contract manufacturing companies, as well as a number of national and multinational branded companies.

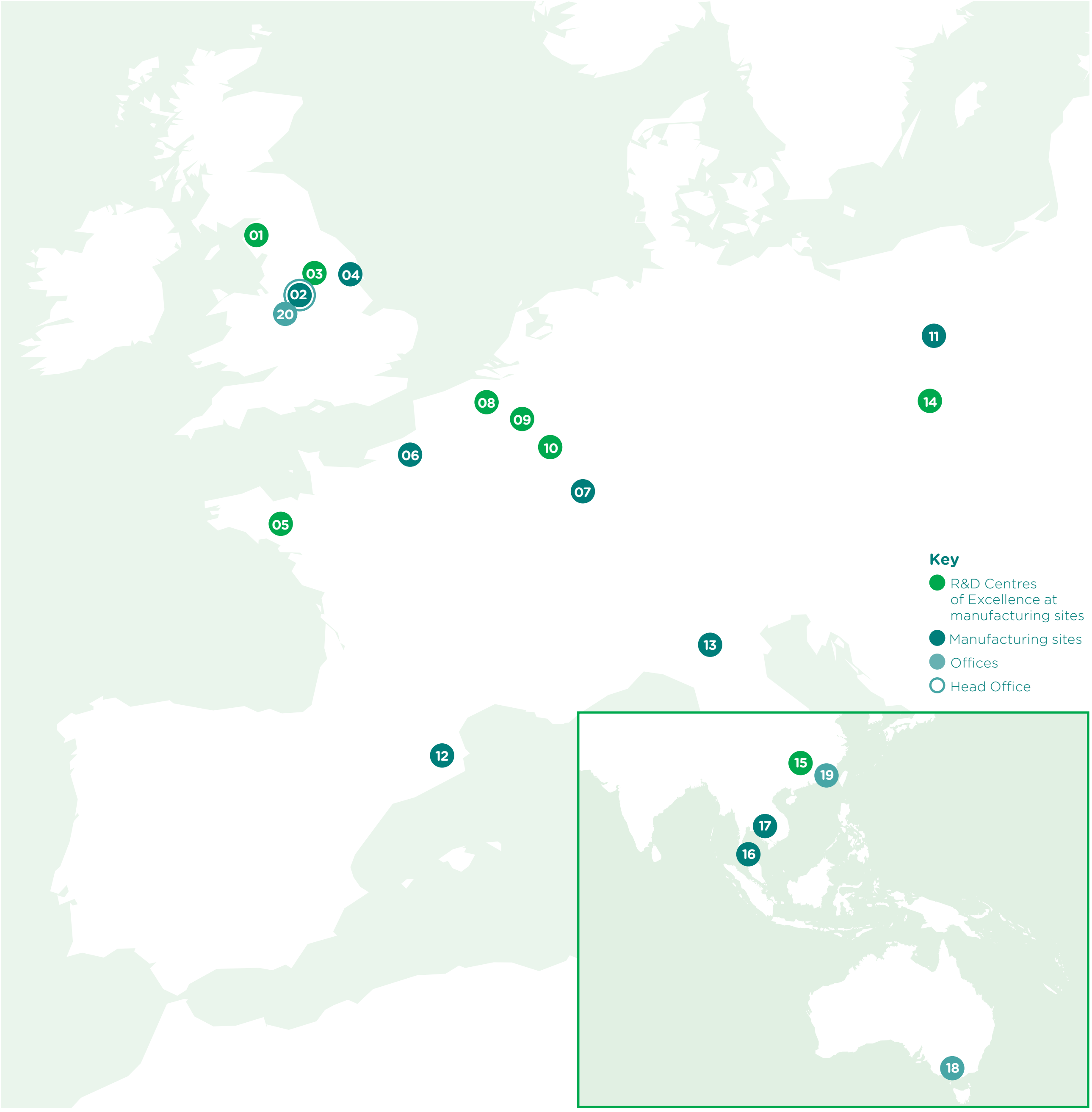
McBride Core and Future Growth categories


Laundry liquids


Machine dishwashing


Speciality cleaners


Selected personal care



Locations

Reference	Site	Product capabilities	Reference	Site	Product capabilities
01	Barrow	Laundry powders, tabs, dishwashing	12	Sallent	Household & laundry liquids
02	Middleton	Household liquids & Head Office	13	Bergamo	Household & laundry liquids
03	Bradford	Personal Care & laundry liquids	14	Brno	Skincare
04	Hull	Household & Personal Care aerosols	15	China	Household cleaners & Air Care
05	Rosporden	Household & Personal Care aerosols	16	Malaysia	Personal Care liquids & Skincare
06	Moyaux	Laundry powders, tabs, dishwashing	17	Vietnam	Personal Care liquids & Skincare
07	Etain	Household liquids	18	Melbourne	McBride Australia Sales office
08	Ieper	Household & Personal Care liquids	19	Hong Kong	Asia Pacific Sales office
09	Estaimpuis	Household & laundry liquids	20	Manchester	McBride Shared Services Centre
10	Foetz	Machine dishwashing			
11	Strzelce	Household & Personal Care liquids			

OUR JOURNEY

Adapting in a changing environment

McBride has almost 90 years' experience in developing, manufacturing and distributing Household and Personal Care products. McBride has continually adapted its product offering and extended its manufacturing skills and capabilities to meet the constantly changing needs of our customers and consumers as the market for Private Label Household and Personal Care products has expanded outside Western Europe into the developing markets of Central and Eastern Europe and Asia Pacific.

From its historic UK base, the Company grew both organically and by acquisition, expanding the range of products offered to include toiletries, aerosols and laundry powders and expanded its manufacturing base into Western Europe.

In 1998, with non-UK sales already accounting for circa 40% of Group revenue, the business started to look to the developing markets in Eastern Europe as a number of the Group's West European customers were entering the region in particular Poland. The acquisition of Intersilesia Sp. z.o.o. provided the platform for future growth.

We also aimed to be at the forefront of Private Label technology, launching the first soluble laundry liquid sachets in 2001. Today the convenience of laundry sachets mean they continue to be popular with consumers and, in 2013, McBride launched the first Private Label dual compartment laundry sachets.

The Group has always adapted to changing market conditions and, following the continued weakness in demand for grocery products (including Household and Personal Care products throughout Europe and in particular the UK market), the Group has undertaken a major review of the UK business which will result in the reshaping of our cost base to ensure we remain competitive in this challenging environment.

Always adapting...

1927
Company established

1945
Business moved to Middleton, Manchester

1950s-60s
The business expanded sales to growing mass market retailers in the UK

1970s-80s
The Group grew organically and by acquisition adding new technologies and expansion into Europe

1998
Expansion into Poland

2001
Launch of first soluble sachets in Europe

Passionate about Private Label

Mission

To be the leading provider of Household and Personal Care products of exceptional value and performance to our customers and their consumers.

Vision

To be the most successful Private Label company in the world by becoming recognised as the supplier of choice to all retailers in our markets.

Principles

To be the most successful Private Label company in the world we will:

Engage our people

- Succeed through teamwork
- Always promote effective two-way communications
- Create an open environment where challenge is welcomed and contributions recognised
- Encourage individual development

Focus on our customers

- Deliver on our promises
- Build positive relationships
- Protect and develop our customer's brand

Drive our performance

- Think everything can and should be improved
- Focus on adding value, reducing cost and increasing profits
- Act with speed, agility and confidence

2007/08

Expansion of Western Europe manufacturing footprint

2010

Our Mission, Vision & Principles (MVP) launched. Project Refresh initiated to meet the challenges of the financial crisis. Entry into Asia Pacific market

2012

Group reorganisation and establishment of R&D Centres of Excellence

2013

Major expansion of manufacturing capacity in Central and Eastern Europe to meet growing demand

2014/15

Restructuring of UK business in line with weaker consumer demand

BOARD OF DIRECTORS

Directors
The Directors who held office during the year were:

Iain J G Napier
Chairman

Chris D Bull
Chief Executive Officer

Richard J Armitage
Chief Finance Officer (resigned 31 July 2014)

Steve J Hannam
Senior Independent Non-Executive Director

Neil S Harrington
Independent Non-Executive Director

Bob A Lee
Independent Non-Executive Director (resigned 14 October 2013)

Sandra Turner
Independent Non-Executive Director

01 Iain J G Napier
Chairman

Chairman of the Nomination and member of the Remuneration sub-committees.
Appointed: July 2007
Skills and experience: Group Chief Executive of Taylor Woodrow plc from 2002 to 2006. Chief Executive of Bass Leisure and then Chief Executive of Bass Brewers and Bass International Brewers. Following the sale of the Bass beer business in 2000, Vice President UK and Ireland for Interbrew SA until August 2001. Formerly non-executive director of Imperial Tobacco Group plc from March 2000 and Chairman between January 2007 and February 2014.

Iain continues to lead the Board very effectively. He has a firm but inclusive leadership style and offers a wide range of experience to the Group from his extensive career both in the UK and internationally and specifically from an FMCG supplier perspective.
External appointments: Chairman of John Menzies plc, and a non-executive director of William Grant & Sons Holdings Limited and Molson Coors Brewing Company (a US quoted company).

02 Chris D Bull
Chief Executive Officer

Member of the Nomination sub-committee.
Appointed: May 2010
Skills and experience: Chief Customer Officer of Unilever Plc from 2007 to 2010. An extensive international career with Unilever covering 25 years and between 2003 and 2007 CEO of Unilever Poland and Baltics. CEO of sizeable divisions in Unilever, and managed manufacturing operations, building on his qualification as a graduate engineer.

03 Chris I C Smith
Chief Finance Officer Designate

Appointed: Date to be confirmed
Skills and experience: Chris is a chartered accountant and has more than 20 years' experience working in manufacturing businesses. Chris is currently Group Finance Director at API Group plc, the AIM listed specialty metallic film, foil and laminates producer; a position he has held since 2008. Prior to joining API, Chris worked for Scapa plc, where he was Finance and IT Director for Europe & Asia and also held a number of senior finance roles at Courtaulds plc, where he gained extensive international experience, including overseas positions based in Germany and Hong Kong.

04 Steve J Hannam
Senior Independent Non-Executive Director

Member of the Audit, Remuneration and Nomination sub-committees.
Appointed: February 2013
Skills and experience: Previous positions have included Chairman of Aviagen International Inc, non-executive director of Clariant AG and AZ Electronic Materials Services Limited, Group Chief Executive of BTP Chemicals plc and, most recently, Chairman of Devro plc.

Steve brings extensive experience to the Board having held positions as a chairman of listed companies and at senior executive as well as non-executive levels both internationally and in the UK. Steve adopts a challenging mindset and offers diversity of style, skill and experience making him ideally suited for the role of Senior Independent Director.
External appointments: Senior Independent Non-executive director of Low & Bonar PLC.

05 Neil S Harrington
Independent Non-Executive Director

Chairman of the Audit and member of the Nomination and Remuneration sub-committees.
Appointed: January 2012
Skills and experience: Senior finance roles at Asda Stores Limited, Barclays Bank plc, French Connection Group plc and, more recently, Group Finance Director at Mothercare Plc. Chartered accountant. Neil is a highly experienced Executive Finance Director having held roles in a number of UK listed companies. His wealth of knowledge, understanding, awareness and experience of investment and banking facilities is invaluable in his capacity as a non-executive director, particularly as the Group continues to adapt to a changing environment.

Neil's financial background and expertise leave him eminently suitable to hold the role of Audit Committee Chair.
External appointments: Chief Finance Officer of Cath Kidston Limited.

06 Sandra Turner
Independent Non-Executive Director

Chair of the Remuneration and member of the Audit and Nomination sub-committees.
Appointed: August 2011
Skills and experience: Member of the Tesco senior management team for over 20 years, holding commercial and operational roles in the UK and Ireland. Commercial Director of Tesco Ireland between 2003 and 2009. Previously a non-executive director of Northern Foods plc.

Sandra offers particular insight from the consumer goods retail perspective having held senior executive roles in one of the Group's major customers and, more recently, as a non-executive with other companies supplying into the FMCG sector. Sandra currently holds roles on the Remuneration Committee in two other companies and her resultant knowledge of this changing field is of particular relevance and support to her in the role of Chair of this Committee for McBride.
External appointments: Non-executive director of Carpetright plc, Huhtamäki Oyj, and Senior Independent non-executive director and Chair of two other Remuneration Committees. Also vice-chair of a large independent school.

EXECUTIVE MANAGEMENT TEAM (EMT)

01 Chris D Bull
Chief Executive Officer
(see Board of Directors on page 8)

02 Chris I C Smith
Chief Finance Officer Designate
(see Board of Directors on page 8)

03 Martin Nederhoed
Chief Commercial Officer
Martin joined McBride on 19 August 2013 from Georgia Pacific, where he held the position of VP Customer Development for EMEA. Prior to that he was Global Trade Marketing Director at Reckitt Benckiser and has held sales and commercial roles at PepsiCo and Hero. Martin has worked in France, Belgium and the UK and has experience in all the major European territories. He has a degree in Economics and Business.

04 Colin S McIntyre
Chief Operating Officer
Colin joined McBride in 1990 and has progressed through the Company, being appointed Divisional Managing Director of the UK Division in July 2008 and assuming the role of Chief Operating Officer with effect from 1 July 2012. He was formerly General Manager of a factory in the UK, UK Logistics Director and Operations Director of the Western Continental European Division. Colin is a member of the UK Cleaning Products Industry Association (UKCPI). He previously worked for Milliken Industries and he has a degree in Chemistry.

05 Dr. Matthias Kreysel
Chief R&D Officer
Matthias joined McBride in September 2012 from Ecolab Europe where, most recently, he was VP R&D Global Laundry and acting VP Manufacturing for EMEA. He worked for Henkel/Ecolab in a number of senior R&D leadership positions throughout Europe and Central and Eastern Europe, as well as broader global experience including the Middle East and Asia. He brings 20 years' experience of laundry and household cleaning product development and has a PhD in Organic Chemistry from Bonn University.

06 Malcolm R Allan
Chief HR Officer
Malcolm joined McBride in 1987 and has worked in purchasing, distribution and Total Quality Management and HR. He was Group HR Director from 1993 and was appointed Chief HR Officer on 1 July 2012. He is also responsible for health, safety and environmental issues worldwide. Prior to joining McBride Malcolm held HR positions in Central Government, RHM and Foseco Minsep and he has a degree in Mathematics.

07 Carole A Barnet
Company Secretary
Carole joined McBride in 1981. She has held the role of Company Secretary of the UK subsidiary companies since 1988 and became Company Secretary of Robert McBride Ltd in 1996. She was appointed Company Secretary of McBride plc in 2010, having held the position of Deputy Company Secretary since 2002. Carole has a degree in German and is a Fellow of the Institute of Chartered Secretaries and Administrators.

CHAIRMAN'S STATEMENT

Iain Napier
Chairman

"Following a challenging year and actions announced in the fourth quarter to restructure our UK business, the Group is now positioned to improve profitability."

Introduction

During the year, Private Label volume share within the UK was impacted by branded promotional activity and remained flat. McBride's performance within the UK reflects these market dynamics with a decline in revenue of 10%. In Europe, markets continued to be impacted by weak consumer demand, in particular in Italy. However, the Group has delivered a strong performance in Germany, Poland and Asia Pacific, demonstrating our ability to adapt to an ever-changing market environment.

Group revenues for the full year were down 3% on a constant currency basis. In the first half, revenue was constrained by prolonged branded promotional activity within the UK and the previously announced reduction in contract manufacturing business.

Weak demand in the UK retail sector and continued branded promotional activity in our third quarter further impacted revenues and, ultimately, our operating profit and earnings.

Consequently, the Board carried out a comprehensive strategic review of the UK business and approved a significant restructuring. This focuses on a reduction in the manufacturing capacity of certain non-core categories, whilst preserving our ability to grow in profitable Core categories. It also addresses support functions and will result in a leaner, less complex business.

The expected profit enhancement of £12 million will significantly improve the profitability of our UK business whilst enabling us to maintain substantial funding headroom.

Board

One change to the composition of the Board was announced during the year. Richard Armitage, Chief Finance Officer resigned with effect from 31 July 2014 following four and a half years' service with the Company. I would like to thank Richard for his contribution during this time and wish him well for the future. Richard will be replaced by Chris Smith in due course. Chris brings strong international experience in multi-site and multi-country organisations.

David Main, Group Director of Finance, is acting as Interim Chief Finance Officer until Chris Smith joins the Company.

Customers

Focus on our customers, building key relationships and delivering on our service promises is at the heart of McBride's strategy. It is, therefore, pleasing to see that our customer service level (CSL) improved during the year to 98% (2013: 96%).

People

The Private Label retail market provides a challenging environment for our people and business. We have an enthusiastic and ambitious team and I would like personally to thank them for their dedication and hard work during a year in which many have had to manage difficult trading conditions as well as contribute to our Strategy into Action (SIA) projects.

Following the successful launch in Europe, McBride has rapidly rolled out its dual compartment laundry sachet technology to UK customers.

Corporate Governance

Our Board continually seeks to improve the governance of the Group for the benefit of all its stakeholders. My statement and the Corporate Governance report sets out how the Board has complied with the revised UK Corporate Governance Code ('the Code') principles.

Go to the Corporate Governance report for an explanation of how the Group has complied with the Code principles on page 28.

Business Risk and Identification Management

The Board has also carried out Business Risk and Identification Management exercises, a bottom up risk identification process. This process highlighted a number of areas to be addressed, a summary of which is set out in the Corporate Governance report. In addition, our principal risks and uncertainties of the Group are summarised within this Strategic Report.

Go to our principal risks and uncertainties section for an explanation of our key risks on pages 28 and 29.

Results and payments to shareholders

Revenue decreased by £17.2 million to £744.2 million (2013: £761.4m), with a 3% decline at constant currency. Loss after tax attributable to shareholders was £19.1 million (2013: re-presented £5.5m). Adjusted profit after tax attributable to shareholders was £9.7 million (2013: re-presented £13.3m). Adjusted diluted earnings per share was 5.3p (2013: re-presented 7.3p).

At the year-end, net debt was £84.7 million (2013: £86.8m). Operating cash flows amounted to £36.4 million (2013: £30.9m), after exceptional costs of £4.2 million in relation to the functional reorganisation (2013: £8.4m). Capital expenditure amounted to £18.8 million (2013: £16.2m).

The Board is recommending a final payment to shareholders of 3.3 pence per ordinary share (2013: 3.3p) reflecting the Board's confidence in recovery plans. This would result in a total payment to shareholders being maintained at 5.0 pence per share, which would be covered 1.1 times by adjusted diluted earnings per share (2013: 1.5 times). Subject to approval at the annual general meeting (AGM), the payment would be made by the allotment of 33 non-cumulative redeemable preference shares ('B Shares'), giving a total allotment for the year of 50 B Shares.

Go to the Chief Finance Officer's review for further details on our financial highlights and performance on pages 23-27.

Refinancing

During the year, the Group has successfully completed a refinancing exercise that has significantly extended the maturity profile of our debt and diversified our lender sources. The Group balance sheet remains strong with committed headroom as at 30 June 2014 of £96.4 million (2013: £111.9m).

Go to the Chief Finance Officer's review for further details on treasury management on pages 23-27.

Outlook

Whilst the Group is faced with weaker consumer demand and high levels of branded promotional activity, the outcome of our UK strategic review will leave us better placed to adapt to a changing market environment and the Group is positioned for sustainable and profitable growth in our Core and Future Growth categories.

Trading since the year-end is in line with expectations.

Go to the strategy and business model sections for further details on pages 12 and 13.

Iain Napier
Chairman

CREATING VALUE THROUGH OUR BUSINESS MODEL

Our business model has been developed to enable us to differentiate ourselves from our competitors in our core markets and add value for our key stakeholders, customers, employees and shareholders by delivering great value for money Private Label Household and Personal Care products.

Creating value

Private Label focus

McBride is 'Passionate about Private Label'.

It is the driving force behind the McBride culture and differentiates us from our competitors. Private Label products play an increasingly important role in providing consumers with value for money alternatives to the leading brands, helping consumers manage their weekly budget.

We understand and work with our customers to develop innovative Private Label Household cleaning and Personal Care ranges.

Category management expertise, based on collaborative partnership with our customers, provides Private Label propositions delivering excellent performance and great value for money for the consumer.

Innovative new product development pipeline

Delivering innovative solutions to meet our customers' needs is fundamental to keeping Private Label ranges fresh and up-to-date for the consumer. By understanding the shopper and drivers of purchasing choice, we have a continuous flow of new ideas which are developed into a series of new product concepts.

Through formulation and packaging development to product testing at our research and development Centres of Excellence, we focus our resources on delivering a continuous pipeline of new product launches.

The innovation pipeline is a key driver in underpinning the Group's long-term growth objectives.

Operational excellence and compliance

Delivering the right product at the right time at the lowest possible cost is the key objective of our supply chain.

Operational excellence and lean manufacturing processes are embedded across the Group's 17 manufacturing sites, supported by our information systems and established ways of working, to deliver excellent customer service and quality.

The quality and safety of the products we develop and manufacture is paramount and we are committed to ensuring that all our products are suitable and safe for their intended use. The Group is actively involved with industry bodies promoting the highest standards of safety and compliance.

Our people

Our people are the key differentiator and are integral to ensuring our customer needs are met. Their dedication and passion for Private Label underpins our day-to-day activities.

Through coaching, mentoring, training and development processes we continually strive to support and engage our people.

Working in the fast-moving world of Private Label can be challenging, but we have the people to make a difference.

Shareholder value

Our aim is to return the Group's adjusted operating margin and ROCE to 5% and 20% respectively within our corporate planning period of three years. This will be achieved by pursuing the profitable growth opportunities identified in our strategy and by restoring profitability in the UK in line with the plan announced in June 2014. The Group maintains substantial funding headroom, manages its balance sheet prudently and prioritises investment decisions rigorously.

Therefore, it is able to fund the investment required to achieve its planned growth, while offering appropriate returns to shareholders.

Go to our KPI section for further detail on our adjusted operating margin and ROCE on page 3.

CHIEF EXECUTIVE OFFICER'S REVIEW

Chris Bull
Chief Executive Officer

"Our principal objective for the forthcoming year is to improve profitability in the UK, whilst continuing to drive strong profitable growth in Central and Eastern Europe."

Overview

We have experienced a challenging year with a decline in revenue and profits driven by our UK performance. As outlined in our first half results, our UK performance was affected by significant deep discount branded promotional activity in our second quarter. This continued during the 'spring cleaning' season to levels greater than previous years. Against this background, we have approved a restructuring project within the UK which will deliver a more adaptable business and reduce our cost base.

Our markets across Western Europe remained very competitive and we have experienced high levels of branded promotional activity, although not to the same extent as the UK market. Despite this, we have restored growth in France and Benelux and delivered strong growth in Germany.

The market situation in Central and Eastern Europe is more positive, where we have achieved strong growth in Poland through multinational discount retailers.

Go to our strategy into action section on how we will restore UK profitability on page 22.

The outlook for our emerging markets of Asia Pacific also remains encouraging. We are achieving strong growth and we are well placed to support local and international retailers' expansion plans.

Trading since the year-end has been in line with expectations. We remain focused on long-term shareholder value and, although weak retail markets and promotional branded activity will remain challenging, our balance sheet remains strong following our refinancing, and our business model ensures that we will continue to be Europe's leading provider of Private Label Household and Personal Care products.

Strategy into action (SIA)

Our strategy remains to differentiate ourselves from our competitors in our core markets and create long-term shareholder value. Our SIA process provides the Group with a platform to focus on our strategy for growth and cost competitiveness.

Commercial review

The industry, market and competitive environment

UK

In the UK market, Private Label volume share in the Household cleaners sector for the 52 weeks to 22 June 2014 declined slightly to 28.9% (2013: 29.4%) driven by branders' promotional activity. This was most extreme in the laundry category which resulted in Private Label volume share reducing to 19.7% (2013: 20.3%). (Source: Kantar Worldpanel).

The Private Label share of the machine dishwashing category improved to 38.5% (2013: 37.1%) driven by Private Label machine dishwashing tablets volume share up three percentage points to 26.6% (2013: 23.6%). The overall Household cleaners sector, including toilet cleaners and bleach, saw Private Label volume share slightly lower at 37.3% (2013: 38.2%). (Source: Kantar Worldpanel).

2013/14 achievements:
- Restored growth in our Western Europe segment, particularly in France and Benelux.
- Continued strong growth in Germany and Poland, with Germany benefiting from business wins and Poland increasing Private Label penetration.
- Continued progress in Asia Pacific.
- Continued new product launch programme across all markets.
- Successful delivery of our new product development (NPD) programme with the development of the first Private Label dual compartment laundry sachet in Europe.
- Further developments in the areas of value engineering and operational efficiency.
- Successful refinancing of our banking facilities and securing further debt facilities of $90 million from two US private placements.

Challenges:
- Deep discount promotional activity within the UK.
- Declining demand in Europe.
- Increasing legislation and regulatory compliance.
- Competitive price pressure.
- Delivering a reshaped cost base.

2014/15 key priorities:
- Improving profitability in the UK and maintain progress in Western Europe through selective category growth and reshaping of the cost base.
- Leveraging our unique capabilities to grow substantially in the mass markets of Central and Eastern Europe, and to build for the future in Asia Pacific.
- Driving Group revenue growth by building our NPD pipeline.
- Capturing the substantial supply chain synergies made possible through the Group reorganisation.
- Utilising our well developed competencies in operational excellence, back office processes and logistics management to drive ongoing and challenging cost reduction programmes.

Go to our business model section for further details on pages 12 and 13.

Go to our strategy into action section for further details on NPD and classification, labelling and packaging (CLP) compliance on pages 18-21.

In Personal Care, the market was also influenced by promotional activity with Private Label volume share in Personal Care slightly down at 17.0% (2013: 17.7%). (Source: Kantar Worldpanel).

Europe

Markets in Western Europe continue to be impacted by the weak consumer demand, in particular in Southern Europe. In France, the market for Household cleaning products remained flat compared to the prior year. Private Label volume share of the Household products sector declined slightly to 35% (2013: 37%). The market for predosed laundry products in soluble sachets in France is growing and now represents 18% of the whole laundry market. (Source: Nielsen).

In Germany, the largest Private Label market in Europe, Private Label dynamics are very strong with the Private Label share of the detergents category in 2013 growing to 23.2% (2013: 22.3%). In the cleaners category, Private Label demonstrated strong gains with its share increasing to 35.3% (2013: 33.2%). (Source: Nielsen).

The Italian market was also characterised by weak consumer demand, with the overall market for Household cleaning products flat in volume terms for the 52 weeks to the end of June 2014. Private Label volumes were down 2% resulting in Private Label volume share in Italy falling slightly to 14% (2013: 15%). (Source: Nielsen).

In Spain, the market continues to be very weak with continuing high levels of unemployment. The market for Household cleaning products further declined by almost 2% in volume terms with Private Label volume slightly lower than the prior year down 1%. Private Label volume share remained unchanged at 51% (2013: 51%). (Source: Nielsen).

Rest of the World

In Asia Pacific, the Group is continuing to grow sales driven by Australia, Malaysia and China. Vietnam has suffered from a slowdown in demand due to economic conditions. Major business gains have been made in Australia, supplied by both Malaysia and Europe. We plan to invest in capacity enhancing equipment in Malaysia to improve efficiency and output to support recent gains in Personal Care categories.

In Poland, Private Label share of the Household cleaning sector reached 17% in the first half of 2014.

Business performance

Performance summary

Our revenue declined by 3% in the year on a constant currency basis, mainly as a consequence of the action we took to withdraw from low-margin contract manufacturing and Private Label business in 2013. Private Label revenue remained flat.

In the UK, revenue declined by 10% reflecting the deep discounted branded promotional activity since the second quarter. In France revenue grew slightly. In Italy, a particularly weak retail environment resulted in revenues declining by 12% on a constant currency basis.

Our German business again achieved a strong performance with revenue growth of 35% on a constant currency basis.

Developing and emerging market revenues remained at 11% of Group revenue. Our Polish business achieved another strong performance, with revenues growing by 9% on a constant currency basis and we continue to make capital investment in this region.

Customer service levels

During the year, the Group reduced its stock levels from the prior year whilst improving CSL levels and meeting our internal target of 98% (2013: 96%).

Operational review

Our ongoing focus on operational excellence means that we have delivered our Year 3 targets set in 2011. The Group continues to focus on lean initiatives to improve volume outputs.

During the year, the Group has continued to successfully manage its material cost base against a backdrop of global economic and political uncertainty.

Research and Development review

During the year, the R&D teams have continued to drive innovation including being the first to market with Private Label dual compartment laundry sachets, whilst managing the substantial change process with regards to classification, labelling and packaging (CLP) compliance.

Looking ahead

Our principal objective for the forthcoming year is to improve profitability in the UK, whilst continuing to drive strong profitable growth in Central and Eastern Europe.

Trading since the year-end is in line with expectations. We can expect an improvement in Group performance following the actions being taken in the UK. The scale of this improvement remains dependent on the extent of branded promotional activity and demand in the UK retail sector.

Strategic Report

This Strategic Report is approved by the Board of Directors.

By order of the Board.

Chris Bull
Chief Executive Officer

9 September 2014

CHIEF EXECUTIVE OFFICER'S REVIEW continued

Our 2015-17 strategy will focus on five key areas: category management and NPD, geographic focus, channel alignment, legislative compliance and reshaping our cost base.

Our strategic focus	Our 2015 priorities	Our 2015-17 strategy
Growth	**Category management and NPD** • Drive Group revenue in our core European markets by building on our NPD pipeline • Maintain position of fastest follower in Private Label in our Core categories Go to our strategy into action section for further details on page 18.	• Category focus around Core categories of laundry liquids, machine dishwashing tablets, specialist cleaners and selective Personal Care products • Continue to develop and maintain our successful NPD capability • Continue to build sustainability goals into the NPD process
	Geographic focus • Continue to drive progress in Benelux countries and regain momentum in Italy • Leverage our unique capabilities to grow substantially in the mass markets of Germany, Poland and other parts of Central and Eastern Europe • Build capacity to support growth in Central and Eastern Europe Go to our strategy into action section for further details on page 19.	• Alignment of product mix with changing retail structures, including hyper and supermarkets, on-line, convenience and limited assortment channels utilising Group supply chain capabilities • Selective contract manufacturing to optimise asset utilisation • Selective acquisitions will be sought to provide an appropriate geographical reach to our customers
	Channel alignment • Selective development of categories and formats to drive growth across all retail channels Go to our strategy into action section for further details on page 20.	• Focus on market dynamics to provide growth engines and future growth • Sharing of Group technology across regions • Continue to build for the future in Asia Pacific

Automated bottle blowing, filling and packing at the Estaimpuis factory in Belgium.

Our strategic focus	Our 2015 priorities	Our 2015-17 strategy
Growth continued	**Legislative compliance** • Meet the requirements and timelines for the European CLP of products legislation in co-operation with customers and suppliers • Preparation of dossiers for Biocidal Products Directive Go to our strategy into action section for further details on page 21.	• Continued and enhanced alignment of product development with forthcoming legislation to build competitive advantage
Cost competitiveness	**Reshaping our cost base** • Restore and maintain profitability in the UK through the restructuring announced in June 2014 • Harness the substantial supply chain synergies made possible through the Group reorganisation to drive ongoing and challenging cost reduction programmes • Streamline our well developed competencies in operational excellence, back office processes and logistics management to deliver great value for money to our customers Go to our strategy into action section for further details on page 22.	• Restore profitability of the UK business while investing in manufacturing capability to provide more competitive products • Alignment of our supply chain with customer needs: – customer service at 98% – focus on lean processes – complexity management – reduced environmental impact – waste efficiency at 1%

STRATEGY INTO ACTION
GROWTH – DRIVING GROUP REVENUE

Dual compartment laundry liquid sachets coming off the production line in Estaimpuis, Belgium.

Reducing energy consumption in the home

35.6bn*

In Europe, around 35.6 billion laundry loads are done every year, meaning approximately 1,130 washes are started every second.

30°C*

The average laundry washing temperature across Europe is 41°C.

Washing at or below 30°C is on the increase, with 32% of loads washed at 30°C or colder in 2011 (up from 29% in 2008).

3°C reduction*

Potential energy savings.

A reduction of the average wash temperature by 3°C in Europe's five big markets saves enough energy to power a city of 140,000 people for a year!

* Source: A.I.S.E. The case for the A.I.S.E. low temperature washing initiative.

Building on our NPD launch pipeline

NPD is increasingly important in contributing to the Group's growth objectives. Through the establishment of our R&D Centres of Excellence, we have been able to focus our expertise in formulation and packaging development to bring new products to market faster and speed up the roll out of product launches across all our core markets throughout Europe and beyond.

Working closely with our category management teams, the R&D Centres of Excellence are able to prioritise our NPD pipeline.

Our integrated product development process, from initial concept generation to product launch, is applied to all new products to ensure they meet the requirements, claim substantiation, and legislative and safety compliance.

Through our consumer and shopper insights, and utilising the latest ingredient stories, together with product and packaging trends, we generate product development ideas. These ideas are rigorously challenged in our screening to ensure our Private Label developments combine excellent performance whilst delivering great value for money.

First to market with Private Label dual compartment laundry sachets

Our strategy is to be the fastest follower to market with Private Label alternatives in Household and Personal Care products. This year, we launched the first Private Label dual compartment laundry liquid sachets. Building on our long established position as the leader in Private Label laundry sachets in Europe, we were able to utilise our expertise in soluble sachet manufacturing and laundry detergent technology to deliver a Private Label dual compartment sachet alternative to the leading brand.

Consumer benefits

The main benefits of the dual compartment format is that it allows ingredients that would be incompatible in a single dose to be delivered in the washing cycle, providing improved washing performance and whiteness whilst being effective at 30° thereby helping to reduce carbon emissions.

Initially launched in France, the new dual compartment sachet is being rolled out to our Private Label customers throughout Europe.

Our strategic focus:
"Category management and NPD" on page 16.

Principal risks and uncertainties:
"Market competitiveness" on pages 28 and 29.

Corporate Responsibility:
"Product and Design" on page 31.

GROWTH – GEOGRAPHIC FOCUS

One of the four new high speed filling lines installed in Strzelce, filling acid based toilet cleaners.

Investment in Strzelce, Poland

The project involved installation and commissioning of 15 new storage vessels, three mixing vessels, three additional blow moulders and four filling lines, as well as the recruitment and training of 125 new personnel.

Delivery of the project on time and to budget was enabled using the Group's SIA process. Experts from operations, R&D, packaging, procurement and human resources, as well as local management, worked together to ensure the successful delivery of the project.

Leveraging our capabilities to grow in Central and Eastern Europe
Central and Eastern Europe has been the growth driver for the Group for the last two to three years, with Private Label sales demonstrating double-digit growth as the value for money proposition of Private Label products gained increasing acceptance by consumers in the region.

Maintaining competitiveness
To ensure we maintain our competitiveness and service for our customers, the Group has significantly increased the capacity of its factory in Strzelce, which was already the Group's third largest liquid facility in Europe.

Strzelce was chosen as the ideal site for the project due to the cost and logistics benefits it offered. In less than two years capacity has grown by almost 50% to 150 million units a year in 2014, including the introduction of new product technologies to the site, for heavy duty liquid detergents and acid toilet cleaners, both of which require specific health and safety handling procedures.

We are continuing to invest in the growing market for Private Label Household and Personal Care products in Central and Eastern Europe. The investment in Strzelce is the first phase of our expansion plans at our factory in Poland, which will see the factory become the largest liquids facility in the Group.

The combination of a state-of-the-art facility and established back office services and processes will ensure that we have the size, scale and cost base to deliver sustainable growth in the rapidly developing markets of Central and Eastern Europe.

2014 achievements

46m bottles
Incremental capacity following the investment in Strzelce.

125
New people recruited and trained to operate increased capacity.

46
New product launches delivered under the project.

£1.8m
Investment in our manufacturing facility in Strzelce.

Our 2015 priorities:
"Leverage our unique capabilities to grow in Poland and other parts of Central and Eastern Europe" on page 16.

Principal risks and uncertainties:
"Market Competitiveness" on page 28.

STRATEGY INTO ACTION continued
GROWTH – CHANNEL ALIGNMENT

In Italy, we have developed a range of Household cleaning and laundry products for the professional cleaning market. The range comprises 16 products with modern packaging and fragrances.

Core category performance

50%
Core and Future Growth categories' share of Private Label sales.

+35%
Year-on-year sales growth in Germany.

The retail landscape is changing with consumers looking for value and convenience in how they shop. Smaller format stores, convenience outlets and on-line shopping are all seeing market share growth at the expense of the traditional hyper and supermarket formats. This change is being seen throughout all our core European markets as well as in the emerging markets of Asia Pacific.

New store openings will be driven by the smaller store formats in Western Europe whilst hypermarkets and large stores will see their best prospects in emerging markets. Retailers and manufacturers alike need to adapt both their range and offering to exploit the opportunities presented by the new retail environment and meet the needs of today's value conscious and time conscious shoppers.

Our customer and consumer understanding helps us accelerate the roll out of NPDs even faster.

Category development

Core categories of laundry liquids, machine dishwashing and speciality cleaners, along with selective Personal Care categories, are large categories providing further growth opportunities for the business. Our market knowledge and consumer insight underpins the NPD pipeline to support our Core categories which now account for over 50% of all Private Label output for the Group.

Improved product performance, health and hygiene, sustainability and packaging simplification are all key factors that contribute to our category development plans. The increasing legislative environment in which we operate means that factors such as safety, labelling and transparency are integral to our category development process.

Channel development

Partnership and collaboration with our customers means we are able to develop Private Label solutions which best meet the needs of today's shopper. We continue to grow our share in the rapidly growing markets of Central and Eastern Europe through adapting our offering to meet the needs of the growing popularity of drug store and discount chains in the region.

The Group is actively developing and testing not only our product range and packaging formats, but also our supply chain, to understand how best to respond to the specific needs of the on-line and convenience shopper and also continue to promote the benefits of Private Label to an increasingly mobile consumer.

Contract manufacturing

We undertake selective contract manufacturing for brand owners in addition to our core Private Label business. Our extensive, integrated and comprehensive manufacturing operations across Europe and South East Asia provide an unrivalled production and business development resource for our contract customers.

Brand owners can depend on us to provide a commitment to quality, responsiveness to market demands and focus on cost control that they would expect from their own factories. Contract manufacturing is an important part of our product mix in the Asia Pacific region, building on our reputation as a consistent quality manufacturing partner.

GROWTH – ADAPTING TO AN INCREASINGLY REGULATED ENVIRONMENT

Redesigned label for a laundry liquid product in Europe in line with the new CLP classification guidelines.

7,000+
Formulations and products reviewed for CLP classification.

9
New pictograms for hazard classes.

29
Hazard classes in CLP compared to 17 under current legislation.

1 June 2015
Classification deadline for all products.

Delivering compliance
The move to an increasingly regulated world has given rise to new challenges for both manufacturers and retailers alike. We work closely with our customers to help lead them through impending legislation and guidelines. McBride has had a long association with A.I.S.E. (International Association for Soaps, Detergents and Maintenance Products) and other industry bodies including representation on technical committees on such topics as the Detergent Regulations, and the Charter for Sustainable Cleaning, which provides a platform for involvement in proposed legislation and proposals on a range of issues facing the sector.

Today the challenges for the industry include:

- CLP: Classification, Labelling & Packaging of substances and mixtures
- Biocidal Product Regulations
- Product environmental footprint labelling
- Sustainable palm oil

The scale and competence within our R&D teams and legislative expertise means we are well placed to ensure our customers' Private Label products are compliant with the latest European product safety legislation.

CLP – Managing the change process
CLP is a European Union regulation which is implementing the Global Harmonised System (GHS) for classification and labelling of substances and mixtures which includes household cleaning products, industrial and institutional cleaners and a number of personal care categories. The objective of the system is to provide a harmonised approach to terminology on labels, classification of products, new pictograms to indicate warning and usage of signal words to highlight potential risks of a specific product.

The traditional "orange square" pictogram is being replaced with a "red/white diamond" style pictogram; other pictograms and a greater number of hazard classes have been introduced compared to the existing regulatory framework. The new CLP regulations mean that more information is required under CLP label standards.

Our R&D teams, supported by our raw material suppliers and back office processes, have taken up the challenge to identify the current classification of all our products and what changes to classification are required under CLP. A series of steps, including reformulation, packaging changes, product testing and new label design working in conjunction with our customers, have been implemented to ensure we will be compliant with the legislation. Working closely with customers and label suppliers to ensure a smooth introduction of the new style labels over the next 12 months will be key to the success of this complex and challenging process.

Our 2015 priorities:
"Legislative compliance" on page 17.

Principal risks and uncertainties:
"Legislative Compliance" on pages 28 and 29.

Chief Finance Officer's review:
"Research and development costs and CLP compliance" on page 25.

STRATEGY INTO ACTION continued
COST COMPETITIVENESS – RESHAPING OUR COST BASE

Adapting in a changing environment
Over the last three years the UK grocery market has remained particularly weak as consumers continue to feel the squeeze on disposable income and household cleaning products and personal care products have not been immune to the downturn. The weak consumer demand has resulted in pressure on the UK grocery retailers and manufacturers looking to maintain market share.

This has led to unprecedented promotional activity within the sector with prices of branded products impacting the Private Label price proposition.

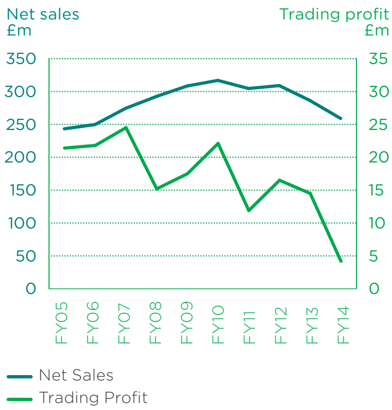
This, combined with low priced Private Label competition, has resulted in our UK business seeing its share of Group revenue fall from 39.0% in 2010 to 34.8% in 2014.

In April 2014, the Group announced that Private Label revenue in the UK remained weak due to the combined impact of low consumer demand and continued branded promotional activity, which had been more extensive than in the previous 12 months. As a result, the Group has carried out a wide-ranging strategic review of the UK operations.

Our UK business has a high fixed cost base and it is evident from our reported segmental analysis that UK trading profit has substantially decreased due to these market dynamics.

During this period the Group closed the facility in Burnley and rationalised a number of support functions, including finance and information systems, administration, and human resources, through the establishment of a Shared Services Centre in Manchester. This also facilitated the closure of the London Head Office in October 2013.

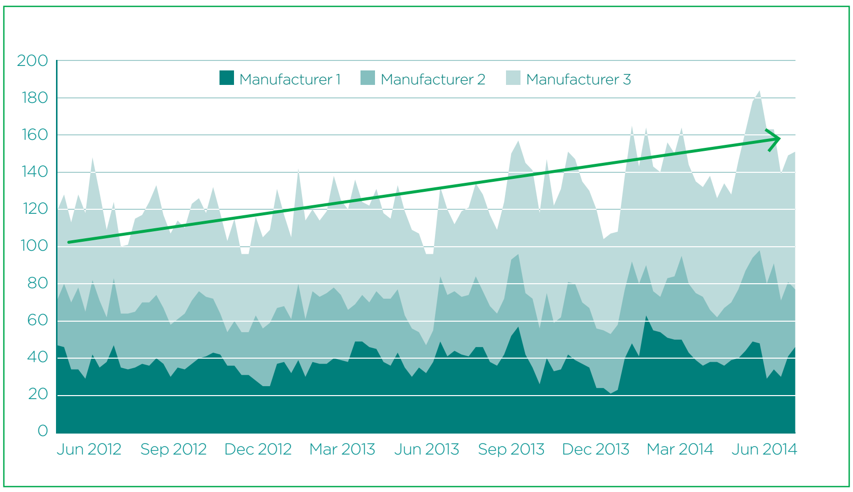
UK segmental sales and profits



In June 2014, the Group announced a further restructuring plan that will be a step change reduction in the UK cost base. It focuses on the rationalisation of shift structures and support services. Production capacity for Core and Future Growth categories is unaffected and the relatively quick payback on the investment ensures that substantial funding headroom is maintained. This plan will ensure that the business has the cost base to meet the competitive challenges going forward and return the UK business to profitable growth. Accordingly, exceptional costs have been recognised during the year amounting to £28.6 million relating to redundancy, consulting costs of £7.9 million and impairments to our UK asset base of £20.7 million. The restructuring programme is estimated to save £12 million by June 2016.

The realigned cost base will allow the business to further focus on maintaining and delivering innovative and great value Private Label products for our customers.

Number of promotions – cumulative



Promotional activity in the UK Household sector based on a 400 product basket, reached record levels in 2014.

CHIEF FINANCE OFFICER'S REVIEW

David Main
Interim Chief Finance Officer

"Following our successful refinancing, our committed headroom as at 30 June 2014 amounts to £96.4 million and clearly provides a sound basis for profitable and sustainable growth. I am also very pleased that we have secured a good level of support from major US financial institutions in our first entry into the US debt market."

Financial summary

£m unless otherwise stated	2014	Re-presented* 2013
Revenue	**744.2**	761.4
Revenue (constant currency)	**744.2**	765.4
Organic revenue growth (constant currency)(1)	**(3%)**	(5%)
Private Label growth (constant currency)	**0%**	0%
Gross profit margin	**33.5%**	32.7%
Administration costs(2)	**178.5**	173.7
Operating (loss)/profit	**(13.9)**	15.0
Amortisation of intangible assets	**1.4**	1.1
Exceptional items(3)	**34.5**	7.5
Adjusted operating profit(1)	**22.0**	23.6
Adjusted operating margin(1)	**3.0%**	3.1%
Adjusted EBITDA	**45.5**	47.5
Diluted (loss)/earnings per share	**(10.5)p**	3.0p
Adjusted diluted earnings per share(1)	**5.3p**	7.3p
Payment to shareholders (per ordinary share)	**5.0p**	5.0p
Cash flow from operations (before exceptional items)	**40.6**	39.3
Net debt	**84.7**	86.8
Net debt to adjusted EBITDA	**1.9**	1.8
Net assets	**68.6**	106.7
Capital expenditure (cash outflow)	**18.8**	16.2
Research and development expenditure not capitalised	**9.3**	9.5
Return on capital employed(1)	**12.7%**	12.2%
Directors' remuneration	**1.1**	1.1

* Adoption of IAS 19 (Revised 2011) 'Employee Benefits'.
(1) An explanation of these performance measures is presented within the KPI section.
(2) Before adjusting items.
(3) Includes impairment of long-lived assets £26.0 million.

Go to our KPI section for an explanation of performance measures on page 3.

Group summary

Revenue was £744.2 million compared with £761.4 million in 2013, a decrease of 2%. On a constant currency basis, revenue in 2014 was 3% lower than in 2013 with Private Label continuing to remain broadly flat on an annualised basis. Adjusted operating profit fell by £1.6 million to £22.0 million. Adjusted diluted earnings per share declined to 5.3 pence (2013: re-presented 7.3 pence).

Cash generated from operations before exceptional items was £40.6 million (2013: £39.3m). The cash outflow in relation to exceptional items was £4.2 million (2013: £8.4m). Year-end net debt decreased to £84.7 million (2013: £86.8m).

Average capital employed was £173.4 million (2013: £193.6m) and the return on average capital employed was 12.7% (2013: re-presented 12.2%).

Segmental analysis

While the Group is managed on a functional basis, its segments are defined by geography. Further details are disclosed in note 4 to the consolidated financial statements.

Revenue

Group revenue declined by 3% on a constant currency basis compared with 2013, mainly as a consequence of the action we took to withdraw from low-margin contract manufacturing and Private Label business in 2013, the extraordinarily weak retail environment affecting our customers in the UK and Italy during 2014, combined with branded promotional activity that has been more extensive than last year.

Revenue by reportable segment was as follows:

	2014 £m	2013 £m	% increase/ (decrease)
United Kingdom	**259.0**	286.3	(10%)
Western Europe	**419.5**	409.9	2%
Rest of the World	**65.7**	65.2	1%
Total	**744.2**	761.4	(2%)

CHIEF FINANCE OFFICER'S REVIEW continued

In the UK, the decline in revenue was driven by the effect of branded promotional activity. In Western Europe, revenue increased due to continued strong growth in Germany derived from business wins, which was partly offset by a decline in performance in Italy due to the Italian retail environment. Rest of the World reported increased revenues due to strong growth in Poland.

Core and Future Growth categories continue to drive overall Private Label sales, growing 2% on a constant currency basis, with Core and Future Growth categories accounting for 50% of Private Label revenues.

Administration costs

Administration costs before adjusting items have increased from £173.7 million to £178.5 million mainly due to exchange rate movements, costs incurred in supporting sales growth, UK pension auto enrolment and one off property items.

Operating (loss)/profit

Operating loss was £13.9 million, compared with £15.0 million operating profit in 2013. Adjusted operating profit was £22.0 million, compared with £23.6 million in 2013. The adjusted operating margin decreased to 3.0% from 3.1% mainly due to the extraordinarily weak retail environment affecting our customers in the UK and promotional activity by our branded competitors. Adjusted operating profit can be reconciled to operating (loss)/profit as follows:

	2014 £m	Re-presented 2013 £m
Operating (loss)/profit	**(13.9)**	15.0
Amortisation of intangibles	**1.4**	1.1
Exceptional items	**34.5**	7.5
Adjusted operating profit	**22.0**	23.6

Adjusted operating profit by reportable segment was as follows:

	2014 £m	Re-presented 2013 £m	Change £m
United Kingdom	**4.2**	14.5	(10.3)
Western Europe	**19.8**	14.3	5.5
Rest of the World	**4.2**	2.0	2.2
Total segments	**28.2**	30.8	(2.6)
Corporate costs	**(6.2)**	(7.2)	1.0
Total Group	**22.0**	23.6	(1.6)

In the UK, the decline in profit was driven by the combination of weak demand and branded promotional activity. In Western Europe, profit increased mainly due to improve profitability in France. Rest of World profits increased due to strong growth in Poland.

Amortisation of intangible assets

The charge in relation to amortisation of intangible assets in the year was £1.4 million (2013: £1.1m).

Exceptional items

Exceptional items amounted to £34.5 million (2013: £7.5m).

For the year ended 30 June 2014, further reorganisation and restructuring costs of £2.6 million have been recognised in relation to the creation of the functional structure, consisting of centralised support services, comprising project management and consultancy costs, redundancy costs (including Head Office redundancies) and other restructuring costs.

Following the strategic review of our UK operations in 2014, a reorganisation and redundancy provision has been recognised amounting to £7.9 million. In addition, UK goodwill and property, plant and equipment have been impaired by £20.7 million.

Following our annual impairment tests, the Group recognised an impairment charge of £4.9 million in relation to the Dermacol manufacturing plant at Brno, Czech Republic. Accordingly, the Group has reduced its estimate of the contingent consideration payable by £4.7 million. As at 30 June 2014, the Group had a liability of £0.4 million (2013: £5.6m).

In addition, Head Office assets were impaired by £0.4 million, as we rationalised our Head Office functions to Manchester and initial incremental costs of £0.2 million were incurred with regards to CLP. Further exceptional costs will be incurred in the forthcoming year relating to CLP.

Following agreement with a local authority in June 2014, environmental costs have been provided in relation to historical environmental contamination at a site in Belgium. Short-term precautionary measures have been taken to mitigate the possible impact of any potential future contamination. The agreement requires a three-stage phased remedial action plan over 20 years. Accordingly, a discounted provision of £2.5 million has been recognised in relation to the agreed plan.

Net finance costs

Net finance costs were £7.4 million (2013: re-presented £6.0m) and are summarised as follows:

	2014 £m	Re-presented 2013 £m
Interest payable on borrowings (including the effect of interest rate swaps)	**4.0**	3.7
Interest differentials on net investment hedge	**0.3**	0.3
Unwind of discount on contingent consideration	**0.2**	0.3
Amortisation of facility fees	**0.7**	0.3
Non utilisation fees	**0.6**	0.4
Premium on average rate options	**0.4**	0.3
Post employment benefit scheme – net finance cost	**1.1**	0.8
Finance lease interest	**0.1**	–
Finance income	**–**	(0.1)
Net finance costs	**7.4**	6.0

Amortisation of facility fees increased by £0.4 million to £0.7 million due to the Group renegotiating new debt facilities. The remaining costs associated with the previous debt facilities were charged to net finance costs. Costs in relation to the new facilities will be amortised accordingly.

Post employment benefit scheme costs have been restated in accordance with IAS 19 (Revised 2011). Further details are disclosed within note 2 to the consolidated financial statements.

Profit/(loss) before tax and taxation

Loss before tax was £21.3 million (2013: re-presented £9.0m). Adjusted profit before tax amounted to £14.8 million (2013: re-presented £17.9m) and the comparable income tax expense (excluding tax on adjusting items) was £5.1 million (2013: £4.6m). The Group's effective tax rate was 34% (2013: 26%) due to a change in jurisdictions in which profits arose, and tax losses arising on which deferred tax has not been recognised.

Earnings per share

Basic and diluted earnings per share (EPS) were (10.5) pence (2013: re-presented 3.0p) and adjusted basic EPS decreased to 5.3 pence (2013: re-presented 7.3p). On an adjusted basis, diluted EPS decreased to 5.3 pence per share (2013: re-presented 7.3p). The weighted average number of shares in the period used in calculating basic and diluted EPS was 182.2 million (2013: 182.4m) and 182.2 million (2013: 183.0m) respectively.

Payments to shareholders

The Board's policy with regard to payments to shareholders is that they should be sustainable and paid out of earnings, and will, where possible, be progressive given the cyclical nature of the markets in which the Group operates.

For 2014, the Board intends to recommend a final payment to shareholders of 3.3 pence (2013: 3.3p) to maintain the total payment for the year at 5.0 pence per share, which is covered 1.1 times by adjusted diluted EPS (2013: 1.5 times).

Cash flow and net debt

Net cash generated from operations, excluding cash flows relating to exceptional items, was £40.6 million (2013: £39.3m). There was a net working capital outflow in the year of £2.8 million (2013: £6.5m). Free cash flow amounted to £5.5 million (2013: £7.4m).

Overall net debt at 30 June 2014 was £84.7 million (2013: £86.8m). Net cash and cash equivalents amounted to £34.9 million (2013: Overdraft £8.3m), the higher than normal level of liquidity reflected a mismatch in the maturity of drawings under our revolving credit facility (RCF), which would otherwise have been paid down.

Capital expenditure in the year amounted to £18.8 million and was focused on health and safety (HSE) compliance, customer driven investment and capacity expansion in Poland.

Net interest payments increased by £1.3 million to £5.6 million due to a change in our debt profile.

Tax paid during the year mainly related to the Western European segment.

Payments to shareholders on redemption of the B Shares issued to them remained consistent with prior years, reflecting the Board's policy.

Net debt table

	2014 £m	2013 £m
Opening net debt	**(86.8)**	(81.2)
Cash generated from operations before exceptional items	**40.6**	39.3
Exceptional items	**(4.2)**	(8.4)
Cash generated from operations	**36.4**	30.9
Capital expenditure	**(18.8)**	(16.2)
Sale of non-current assets	**0.5**	0.4
Net interest paid	**(5.6)**	(4.3)
Settlement of forward contracts	**1.3**	(2.0)
Tax paid	**(8.3)**	(1.4)
Free cash flow	**5.5**	7.4
Contingent consideration on acquisitions	**–**	(0.5)
Payments to shareholders	**(8.9)**	(8.7)
Currency translation differences	**5.5**	(3.8)
Movement in net debt	**2.1**	(5.6)
Closing net debt	**(84.7)**	(86.8)

Research and development costs and CLP compliance

During the year, the Group have incurred R&D expenditure amounting to £9.3 million (2013: £9.5m), as the Group continues to innovate its product offering to our customer needs. In addition, the Group has incurred incremental costs in relation to CLP amounting to £0.2 million, as the Group ensures its products are CLP compliant by June 2015. It is expected that the Group will incur additional exceptional costs in 2015.

Go to our strategy into action section for further details on product innovation and CLP compliance on page 21.

CHIEF FINANCE OFFICER'S REVIEW continued

Directors' remuneration

The Group has remunerated its Board in accordance with the Group's Remuneration Policy and consider the remuneration is commensurate with the Group's performance. Directors' remuneration amounted to £1.1 million (2013: £1.1m).

Further information on Directors' remuneration can be found in the Remuneration report on pages 15-27 of the Governance and Financial statements.

Pensions

The Group operates a funded defined benefit scheme in the UK. At 30 June 2014, the Group recognised a deficit on the UK scheme of £28.4 million (2013: £24.2m); the increase during the period is principally due to a decline in the discount rate and an increase in expectations of inflation.

The Group also has other unfunded post-employment benefit obligations outside the UK that amounted to £2.0 million (2013: £1.8m). During the period, the Group has adopted IAS 19 (revised). Consequently, the income statement and statement of comprehensive income have been restated. Further details are disclosed in note 2 to the consolidated financial statements.

Auto enrolment was introduced during the year with 743 of our employees being enrolled. The additional annualised cost to the Group amounts to £0.4 million.

Treasury management and access to credit lines

The Group aims to maintain a strong balance sheet, with a relatively conservative level of debt-to-equity gearing.

The Group's treasury activities focus on ensuring access to secure, cost effective credit lines, and managing liquidity. The treasury department is also engaged in managing the Group's exposures to foreign currency, interest rate and credit risks. All of these activities are overseen by a Group Treasury Committee, which meets regularly and operates within a framework of treasury policies approved by the Board.

During the year, the Group has successfully completed three major funding exercises, which have significantly extended the maturity profile of our debt and diversified our lender sources.

In November 2013, we completed a US private placement (USPP), raising $50 million from two major US non-bank financial institutions. In April 2014, we raised a further $40 million through a second US private placement with a US insurance group.

In April 2014, we also completed the refinancing of our RCF, which was due to mature in June 2015. We were able to secure €140 million for five years to April 2019 at competitive rates from a syndicate of four leading banks, Barclays, Bayerische Landesbank, HSBC and KBC.

In addition, the Group has invoice discounting facilities (IDF) in the UK, France and Belgium.

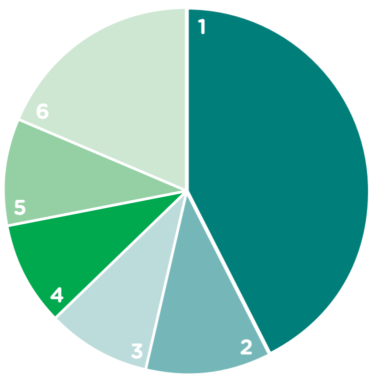
The RCF is subject to covenants, representations and warranties that are customary for unsecured borrowing facilities, including two financial covenants: Debt Cover (the ratio of net debt to EBITDA) may not exceed 3:1 and Interest Cover (the ratio of EBITDA to net interest) may not be less than 4:1. For the purpose of these calculations, net debt excludes amounts drawn under the invoice discounting facilities. The Group remains comfortably within these covenants. At 30 June 2014, the Debt Cover ratio was 1.2:1 (2013: 1.3:1) and the Interest Cover ratio was 10.7:1 (2013: 13.7:1).

The Group's committed headroom, assuming continuing covenant compliance, amounts to £96.4 million (2013: £111.9m).

Foreign currency risk

A significant proportion of the Group's net assets are located in Europe and denominated in Euros. The Group is, therefore, exposed to a translation risk when these net assets are converted into Sterling at each balance sheet date. The Group hedges a substantial part of its foreign net assets with borrowings and swaps denominated

Access to credit lines



1. RCF £112.2 million, (€140m) – until April 2019
2. US PP 1 £29.3 million, ($50m) – seven year maturity
3. US PP 2 £23.5 million, ($40m) – eight year maturity
4. IDF – France and Belgium £24 million (€30m) – rolling notice period of six months for the French part and three months for the Belgian part
5. IDF – UK £25 million – committed until August 2016
6. Other £48.7 million (£46.6 million uncommitted – reviewed on a periodic basis)

in the same currency. This mitigates the risk of volatility in reported net assets and key financial ratios due to exchange rate fluctuations. Additionally, the Group hedges exposure on our earnings by purchasing average rate options, and on transaction exposures for which we use forward currency contracts on a rolling 12-month basis.

Interest rate risk

Most of the Group's debt bears interest at floating rates and is, therefore, exposed to a risk of rising interest rates. The Group has a policy of hedging this exposure with interest rate swaps and caps, to mitigate interest rate volatility.

Credit risk

The counterparties to our treasury deals expose the Group to potential credit-related losses in the event of non-performance. This risk is mitigated by dealing only with the major banks, which provide our credit facilities. We also aim to avoid concentration of those deals with any single counterparty.

Commodity price risk

The Group is exposed to changes in raw material prices, some of which are downstream products such as polymers and surfactants based on oil/petrochemical feedstocks. There is generally no liquid or cost-effective market for direct hedging of such exposures. Where liquid markets do exist, there may not be an acceptable level of correlation with the price of our particular commodities. However, the Group mitigates this risk by entering into certain long-term purchasing contracts.

Critical accounting policies and judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as follows:

- Revenue – level of accrued rebates and discounts
- Impairment of long lived assets
- Contingent consideration
- Pensions and other post employment benefits
- Provisions – exceptional items
- Taxation – recognition of deferred tax assets and liabilities

Group Tax Policy

As a Group, we are committed to creating long-term shareholder value through responsible and efficient delivery of our strategy. We, therefore, adopt an approach to tax that aligns to and supports this strategy.

We act in compliance with the relevant local and international laws and disclosure requirements and our aim is to engage in open and transparent relationships with the relevant tax authorities.

In an increasingly complex international environment, a degree of tax risk and uncertainty is inevitable. We manage and control these risks in a proactive manner and seek appropriate advice from reputable professional firms as required. Tax risks are assessed as part of the Group's corporate governance process.

Going concern

The Group meets its funding requirements through internal cash generation and bank credit facilities, most of which are committed until April 2019. In addition, during the year the Group successfully secured further debt facilities of $90 million from two US private placements. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate comfortably within its current bank facilities.

The Group has a relatively conservative level of debt-to-equity gearing. As a result, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis.

Positioned for growth

While trading conditions have been particularly difficult in the Group's developed markets during 2014, we have implemented plans following a strategic review to return the Group to profitable growth.

The Group's balance sheet remains strong following its refinancing, with very significant committed borrowing headroom of £96.4 million on its committed borrowing facilities. We have a robust funding platform and remain well positioned financially to achieve our key objectives for the forthcoming year.

David Main
Interim Chief Finance Officer

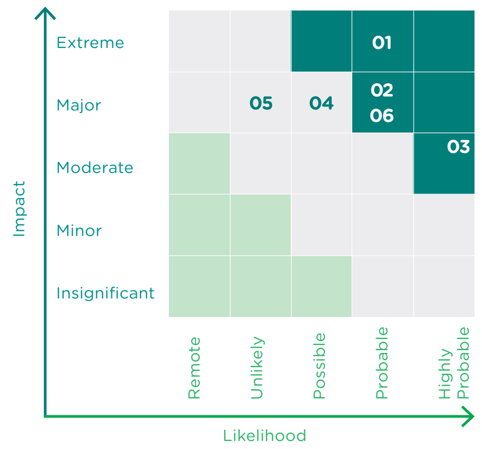
PRINCIPAL RISKS AND UNCERTAINTIES

We operate in a fast-moving, dynamic environment, with the severity level and potential impact of risks affecting the Group closely linked to the market and economic climate at any point in time. Risk is also inherent to any business activity.

Our challenge is, therefore, to identify the critical risks and uncertainties facing the Group, from both internal and external factors, and to develop and maintain management processes to mitigate these risks. Our system of risk management, together with an explanation of the process undertaken during the year, are described on pages 8 and 9 in the Governance and Financial statements.

The list below outlines the current principal risks and uncertainties identified by the Group. The table, together with the heat map opposite, indicate the current level at which the Group assesses the potential likelihood and impact of these risks. Any risks which have been downgraded from last year's principal risks list are discussed on page 8 of the Governance and Financial statements.

Risk	Potential impact	Mitigation	Change versus prior year
01 **Market competitiveness**	• Principal competition comprises renowned international Groups that have the ability to change markets through innovation, and pricing structures through promotional activity • Loss of key growth categories which drive the Group's strategy and profitability • Strength of major retailers' leverage over suppliers on pricing and specification	• Recently announced restructuring to achieve a step change improvement in profitability in the UK • Well-established and ongoing operational excellence programme across the Group • Work being carried out to improve complexity management and total product cost • Drive NPD and develop sustainable joint business plans with customers • Strengthen business model and operational efficiency through selective investment, improving cost base, better complexity management and adopting standardised best practice across the Group	
02 **Input costs**	• Fluctuations in commodity prices resulting in a time lag between raw material price increases and recovery through margin, and a consequential increase in net debt	• A well-resourced procurement function with a developed forecasting capability • Strong internal processes to cement raw material price increases quickly into recovery plans • Innovation to enable low cost competition to be resisted	



Risk	Potential impact	Mitigation	Change versus prior year
03 **Legislative compliance**	• Increasing level of significant legislative requirements, with greater impact on complex/diverse product businesses • Resource pressure on key Group functions and potential impact on ability to be fastest follower • Reduction in revenue and profitability from obsolete stock write downs and difficulty in recovering additional costs incurred	• Strengthened planning process to identify and evaluate impact of legislation at early stage • Active participation in relevant industry bodies • Cross-functional project teams, with dedicated resource, to ensure implementation within deadlines	↑
04 **Business interruption**	• Loss of key strategic site, immediate and potential longer term impact on ability to deliver to customers • Failure to deliver targeted improvements leading to uncontrolled costs • Any move away from Private Label could increase dependency on more unpredictable sub-contract business	• Robust property risk management and business continuity planning processes in place • SIA process ensures key Group projects driven to successful conclusion • Detailed business resilience exercise to be undertaken during 2014/15 • Group's policy limits sub-contract business to 25% of total turnover	–
05 **Financial risks**	• Multinational operations expose business to a variety of financial risks (as detailed in Chief Finance Officer's review on pages 26 and 27) • Failure to operate within financial framework could lead to inability to support long-term investment and/or raise capital to fund growth	• Strong and established financial framework monitoring and maintaining appropriate levels of liquidity and covenant commitments • Foreign exchange risk managed by hedging • Recent renewal of banking facilities committed until April 2019	↓
06 **Human resources and employee retention**	• Loss of key personnel and experience in fast-moving Private Label business • Over reliance on key staff leading to lower benefits from key projects	• Strong package of HR management policies and tools • Focus on vital projects aids resource prioritisation • Talent and succession planning reviewed by EMT and the Board	–

CORPORATE RESPONSIBILITY

During 2014 the Group continued to progress its objectives and action plans to implement its Corporate Responsibility (CR), business ethics and sustainability strategy and principles.

Our 11th annual Sustainability Report provides further analysis of our environmental and health and safety performance. The Report also includes detailed information on our activities, objectives, targets, compliance status and achievements during the year.

Go to **www.mcbride.co.uk** to read our CR and sustainability objectives, policies and conduct guidelines.

We continue to embed these important aspects into the way we do business anywhere in the world, and it is a key means of ensuring the Group succeeds in achieving its Vision to becoming the most successful Private Label manufacturer and the supplier of choice for all customers.

At the core of our CR, ethics and sustainability principles are the values of fairness, honesty and integrity.

The Group aims to maintain its reputation, trust and confidence of those with whom we deal and that are key to our long-term success by:
- running our business in a professional and ethical way;
- building successful collaborative relationships with our customers;
- valuing the well being and contribution of our people; and
- minimising our impact on the environment and the quality of life for the future generations.

The Group monitors its performance in these areas through rigorous management systems and KPIs, with detailed reports submitted to the EMT and Board at regular intervals.

During 2014, the Group's CR and sustainability vision and strategy were refreshed to provide clearer focus on those areas where the Group can make a difference and lead the way in Private Label manufacturing. A Sustainability Roadmap was created setting out the objectives, goals and targets across the short and longer term. These have been separated across five core themes as set out over the remainder of this section on pages 31 to 33.

The Group's Sustainability Steering Group (SSG) is sponsored by and reports directly into the EMT. As a cross-functional team, the SSG is tasked with continuing to develop the direction and implementing plans that will:
- embed the strategy, principles and targets related to CR and sustainability across all Group functions and sites;
- provide a forum to encourage the sharing of best practice across the Group; and
- ensure the Group can meet the expectations of its stakeholders.

McBride has been a leading contributor in the development of the A.I.S.E. Charter for sustainable cleaning and was the first Private Label company to achieve Charter status.

Theme

Customer and Consumer

Objective: "Identify customer specific and good practice consumer sustainability initiatives and targets, and work to integrate these into category and key account plans."

Progress during 2014:
Our customers are at the forefront of the CR and sustainability agenda. Therefore, as we work ever closer with them at all levels of our business, it is vital that this includes an understanding of their CR and sustainability performance, aspirations and requirements. We must also ensure that these are integrated into our own strategy if we are to meet our Vision of being the supplier of choice with all our customers in this increasingly important area.

It is pleasing to say that work undertaken to date has shown that many of our customers' aspirations and objectives complement our own, as evidenced by the number of successful customer and other external audits in this area.

Theme

Product and Design

Objective: "Design, create and supply value Household cleaning and Personal Care products, which are safe to use, whilst minimising environmental impact."

Progress during 2014:
The quality and safety of our products is paramount. We take our responsibilities seriously and are committed to ensuring that all our products are suitable and safe for their intended use.

We are actively involved with various industry associations such as A.I.S.E. and UKCPI (UK Cleaning Products Industry Association). This allows us to promote the highest standards of product safety compliance, as well provide full participation in the various consultations and working parties for proposed legislation changes.

We have made considerable progress on managing the CLP process and this will remain a key focus for 2015.

Product safety evaluations are made in our operations without testing on animals. We continue to support the development and acceptance of alternative product safety evaluation methods that reduce or replace the use of animals.

Ecovadis

Ecovadis provides a solution for monitoring sustainability in global supply chains. It produces reliable assessments of companies' CSR performance, providing comprehensive feedback, benchmarking and tools to continuously improve.

In line with a customer request, we subscribed to and completed the self evaluation tool for all aspects of corporate social responsibility, which was then verified by Ecovadis experts.

McBride was given an overall silver rating and, when compared to other Soap & Detergents Manufacturers, assessed by Ecovadis, McBride were ranked as being in the top 21% for environmental practice and in the top 13% for labour practices.

Theme

Production and Operations

Objective: "Maximise operational efficiency and value through the pursuit of operational excellence to minimise our environmental impact and reduce emissions."

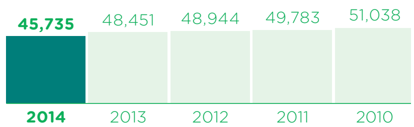
Progress during 2014:
Sustainability, operational efficiency and minimising environmental impact are all inextricably linked. The Group continues to make steady progress against its short- and long-term energy efficiency and emission targets and proactively encourages and facilitates the sharing of operational excellence and other sustainability innovations across all of the Group's sites.

This is supported by comprehensive internal environmental management systems, the use of KPIs and achieving external environmental accreditation for our operations. Twelve sites hold the ISO 14001 accreditation and we are working towards accreditation for all our manufacturing sites.

Efficiency
We have continued to make progress on our sustainable waste and recycling targets as the Group continues to drive its operational efficiency. Waste generated increased slightly to 1.5% (2013: 1.4%), and recycled reused and recovered sustainable waste now accounts for 89% of all waste generated (2013: 84%) with waste to landfill also lower. The Group water usage and efficiency further improved with total water consumption down 5% and our water efficiency up to 996 kgs production per m^3 water (2013: 986 kgs production per m^3 water).

Energy and carbon disclosure

Net Scope 1 and 2 CO_2e emissions
Tonnes CO_2e



CORPORATE RESPONSIBILITY continued

Theme

Production and Operations continued

Our total energy consumption, improved by 6% with energy usage in our factories in the developing and emerging markets offsetting lower energy usage at our operations in our mature Western European markets. Oil and gas consumption decreased and our electricity consumption was down 3% reflecting initiatives in the factories on energy reduction targets.

Energy champions across our sites share information on energy reduction projects, including air compressors, heat exchangers and lighting, as well as process improvements.

The overall impact of our operations for Scope 1 and Scope 2 emissions was 54,816 tonnes of CO_2e emissions (2013: 57,615 tCO_2e). Green energy used in our Belgium factories accounted for 21% of the Group's total demand giving a net CO_2e impact of 45,735 tCO_2e. In terms of eco-efficiency, energy usage was improved to 1602 kg per Gjoule (2013: 1,587 kg/Gj) with CO_2e efficiency marginally improved to 18,017 kg product/tCO_2e (2013: 17,875 kg product tCO_2e).

Suppliers

We seek to establish mutually beneficial relationships with all our suppliers and encourage them to match our high standards in respect of quality, product safety, working and trading practices, health and safety and environmental protection.

We actively maintain relationships with our suppliers cross-functionally at all levels. In this way we continually seek to optimise the value of what we source, through innovation, proposals from our suppliers and evaluation of alternative suppliers and materials.

Go to **www.mcbride.co.uk** to read more about our environmental performance in this year's Sustainability Report.

Theme

Our People

Objective: "Create a working environment where people want to work and are able to give their best."

Progress during 2014:

A key aspect of the Group's competitive advantage is our people, who bring the innovation and drive to succeed. As a business we must ensure that we promote a culture which both harnesses and nurtures this.

Wellbeing

One of our key goals across the Group is to create a safe environment in which to work for all. As a minimum, we ensure that our business activities are carried out in a responsible manner and in accordance with relevant statutory legislation.

During the year we reduced the number of accidents involving more than three days' lost time, to 113 (2013: 116). Due to the lower number of hours worked in the period, the accident frequency per 100,000 hours worked was flat at 1.4 (2013: 1.4). Despite the overall reduction in lost time accidents, both the rate of seriousness and the risk rate showed a further increase in line with the prior year trend.

The Group has a strong health and safety awareness programme, supported by training initiatives. A key objective for the Group in the coming year will be to reduce the rate of accidents and return to our previous standard of performance in this critically important area for our employees.

Diversity

We recognise and value diversity in our employees and will endeavour to encourage and promote diversity within our workforce. We are committed to promoting and maintaining a working environment based on mutual respect, together with raising levels of awareness of equality and dignity at work.

Whilst we recognise that gender is one particular form of diversity, we are committed to and continue to believe, it is fundamental for the success of the business that the best candidates are appointed based upon ability, merit and the criteria and requirements of the role.

Gender split 2014

Female employees	40%
Female managers	34%
Female senior management	13%
Female Board members	16%

Recognition, training and engagement

Through our initiatives, including MVP and Management Development Programme (MDP), we seek to encourage the retention of talented employees and, where appropriate, encourage promotion from within.

Process improvement

Our Ieper Household factory mixing department in Belgium undertook a study to examine all dosing procedures and evaluate the possibility of reducing process water temperature. The study identified the water temperature in the process could be reduced considerably across a range of formulations from 25°C to 20°C and even down to 15°C during the summer months. This resulted in realised savings of 7,500m³ of hot water on an annual basis, reducing by almost 50% the volume of hot water required, generating energy savings of 800 kWh per annum.

Through the running of our successful training, mentoring and coaching programmes across the Group, we look to provide our people with the skills, knowledge and platform to be fully engaged and achieve their full potential.

Human rights

We take the issue of human rights seriously and continue to strengthen our policies and management systems in this area. Our employee policies are set locally to comply with local law within the overall Group framework and we monitor the employment practices of our supply chain.

Our business ethics and business sustainability policies set out clear standards of behaviour that we can expect all our people to demonstrate and adhere to and underpins our social, ethical and environmental commitments and sends a clear message to our stakeholders of our commitment to responsible business practice.

We carry out third party ethical audits which are run under the Sedex System wherever possible or, alternatively, under a specific retailer's own system. All conform with the Ethical Trading Initiative (ETI) and our sites are independently audited at a frequency determined by risk. We maintain full data disclosure under the Sedex System for all sites regardless of audit frequency.

Theme

Community and Society

Objective: "Work to ensure that McBride's products and operations benefit the local communities in which we operate and the wider society as a whole."

Progress during 2014:

We understand that effective stakeholder engagement enables us to optimise our performance. We also recognise that maintaining positive relationships with customers, suppliers and the communities in which we operate provides additional strength to our continuous improvement and sustainability commitments.

We look to have a positive impact and enhance the links with the local communities in which we operate. As well as providing significant employment opportunities, we aim to make positive contributions to these communities, building goodwill and a reputation as a good neighbour and employer.

"Keep Caps from Kids"

A.I.S.E. and its member companies including McBride plc are involved in the liquid laundry detergent capsules market in Europe and regard the safety of consumers as a top priority.

We are actively supporting and contributing to the A.I.S.E. "Keep Caps from Kids", campaign to promote the safe use of liquid laundry capsules across Europe.

This consumer education campaign aims at securing the safe use and storage of liquid laundry detergent capsules by parents and child carers, with its aim to increase safety awareness and significantly reduce the incidents of accidental exposure, in particular of small children, to these products. On pack safety advice and opaque packaging have already been put in place.

The multi-lingual educational initiative will be focussed on the website **www.keepcapsfromkids.eu** launched in September 2014 and available across all 28 EU countries containing advice and information for consumers.

FTSE4Good

We are proud to continue to be a constituent member of the FTSE4Good Index of socially responsible companies, which recognises our commitment to corporate responsibility and the ethical way in which we approach our business activities.

SHAREHOLDER INFORMATION

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Chartered Accountants and Statutory Auditors
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London WC2N 6RH

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London EC2V 7QP

Panmure Gordon & Co. plc
One New Change
London EC4M 9AF

Principal bankers
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Eastern Region Corporate Business Centre
Eagle Point
1 Capability Green
Luton LU1 3US

Fortis Bank S.A./N.V.
5 Aldermanbury Square
London EC2V 7HR

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Registrars
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Financial public relations advisers
FTI Consulting LLP
200 Aldersgate
London EC1A 4HD

Financial calendar
Next key dates for shareholders:

Annual General Meeting	20 October 2014
2014/15 Q1 interim management statement	20 October 2014
Record date for entitlement to B Shares	24 October 2014
Record date for entitlement to B Share dividend payable on B Shares issued and not previously redeemed	24 October 2014
Ex-entitlement to B Shares date	27 October 2014
Credit CREST accounts with B Share entitlements	27 October 2014
Latest date for receipt by Registrar of completed election forms and submitting CREST elections	14 November 2014
Despatch of cheques in respect of B Shares which have been redeemed	28 November 2014
Payment into bank accounts in respect of B Shares which have been redeemed by certificated shareholders who have valid mandate instructions in place	28 November 2014
Despatch of share certificates for B Shares not being redeemed	28 November 2014
Payments on redeemed B Shares issued in CREST	28 November 2014
Payments of B Share dividend payable on B Shares issued and not previously redeemed	28 November 2014
2014/15 Half year	31 December 2014
2014/15 Half year trading statement	January 2015
Interim results announced	February 2015
2014/15 Q3 interim management statement	April 2015
2014/15 Year end	30 June 2015
2014/15 Year end trading statement	July 2015
Full year preliminary statement	September 2015

These dates are provisional and may be subject to change.

OUR ON-LINE RESOURCES

McBride communicates its financial and sustainability performance as well as providing additional information about the Group at its website: **www.mcbride.co.uk**

McBride's Annual Report and Accounts are available to view on-line or to download from: **www.mcbride.co.uk/investors**

McBride's Sustainability Reports are available to view on-line or to download from: **www.mcbride.co.uk/our-responsibilities/reports**

Latest announcements can be found at the McBride on-line media centre at: **www.mcbride.co.uk/media-centre/regulatory-news**

Acknowledgements
Designed and produced by Instinctif Partners **www.instinctif.com**.

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The Company's results were presented on 10 September 2014. The presentation and audiocast can be found at the Company's website **www.mcbride.co.uk** or by scanning the QR code above.

McBride has been accepted into the FTSE4Good Index Series of leading companies which meet globally recognised corporate responsibility standards.

McBride has been a leading contributor in the development of the A.I.S.E. Charter for sustainable cleaning and was the first Private Label company to achieve Charter status.