

Introduction to McBride plc

Miles Roberts

November 2008



BEHIND
THE LABEL

McBride snapshot

- » Europe's leading provider of private label Household and Personal Care products
- » Focus on driving growth of Private Label market share
- » Turnover of £700m
- » No. 1 in UK, France, Italy and Poland
- » 19 factories in 7 countries plus China office
- » Established business model - customer service, innovation, scale, efficiency, value added services, people and financial return



Comprehensive range of household and personal care products

Household

Dishwashing

- machine dish wash products
- rinse aids
- washing up liquid

Textile washing

- washing powders, tablets and liquids
- fabric conditioner
- anti-calc products
- laundry aids

Household cleaners

- all purpose cleaners
- room specific cleaners
- toilet cleaners
- bleach

Air care

- timed release
- gels
- plug-ins

Personal care

Hair care

- shampoo
- conditioner
- hair sprays
- styling aids

Body care

- bath and shower gel
- liquid soap
- deodorant
- skin care
- baby care

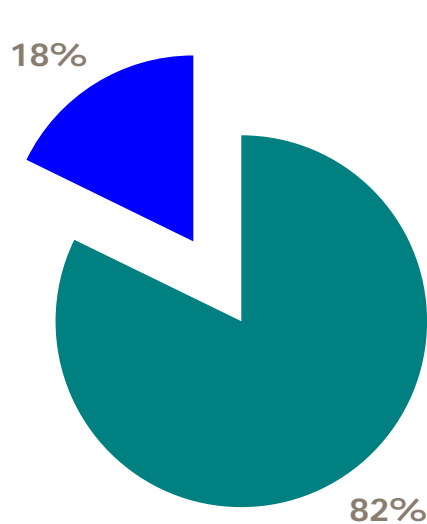
Male grooming

- shaving gel
- shaving foam
- after shave
- men's deodorant

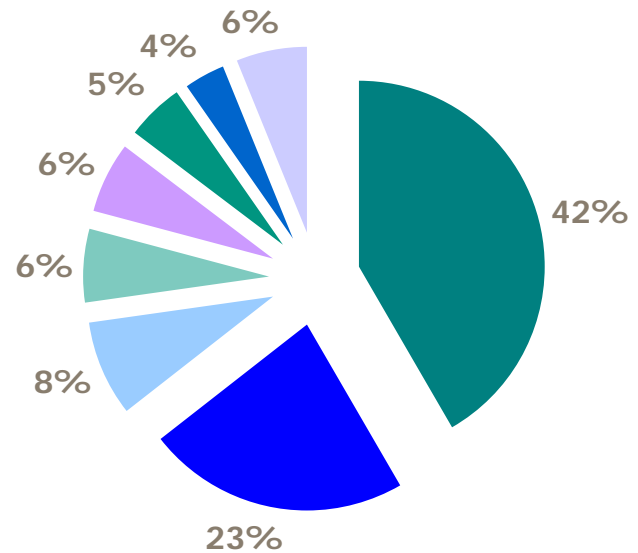
Oral care

- toothpaste
- mouthwash

McBride's revenue by product category and geographic destination



■ Household ■ Personal care



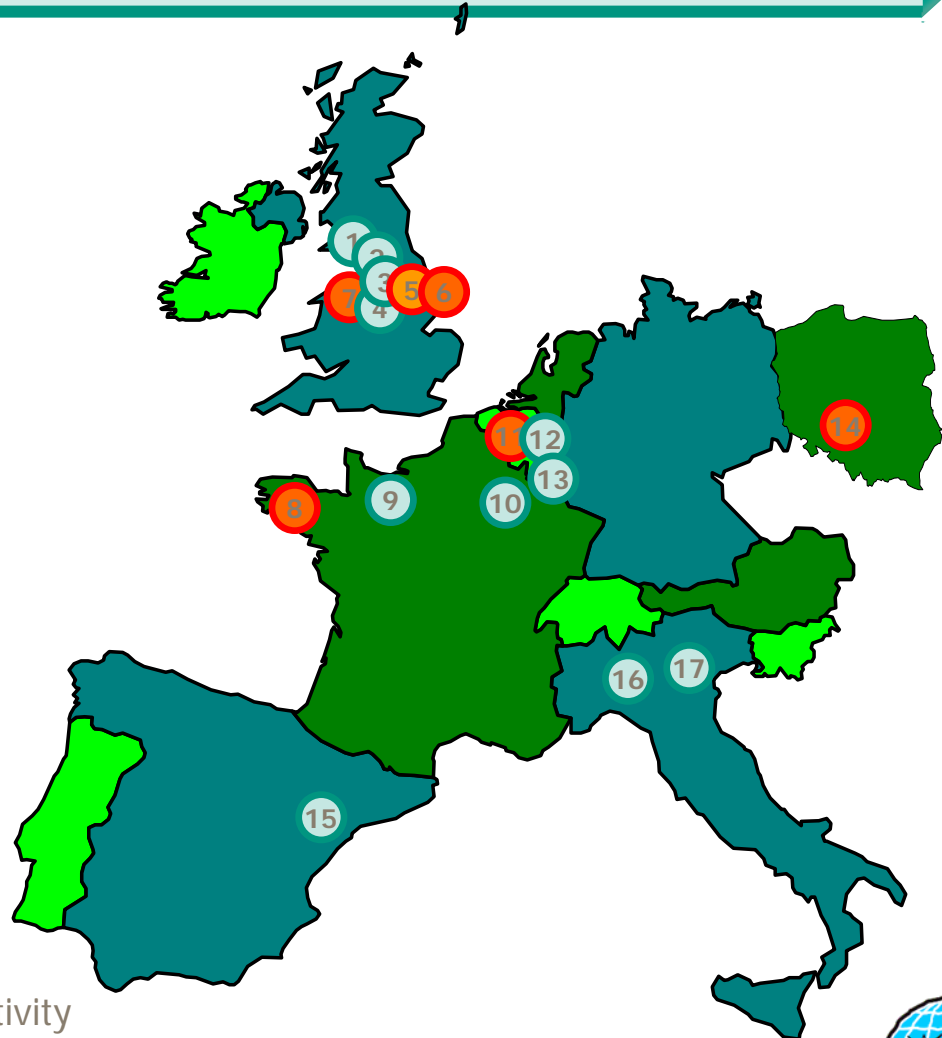
■ UK ■ France ■ Italy ■ Germany
 ■ Benelux ■ Spain ■ Poland ■ Others



Pan-European presence

19 factories in 7 countries

1 Barrow	UK
2 Burnley	UK
3 Middleton	UK
4 Warrington	UK
5 Bradford	UK
6 Hull	UK
7 St Helens	UK
8 Rosporden	France
9 Moyaux	France
10 Etain	France
11 Ieper (x2)	Belgium
12 Estaimpuis	Belgium
13 Foetz	Luxembourg
14 Strzelce	Poland
15 Sallent	Spain
16 Solaro	Italy
17 Bergamo (x2)	Italy



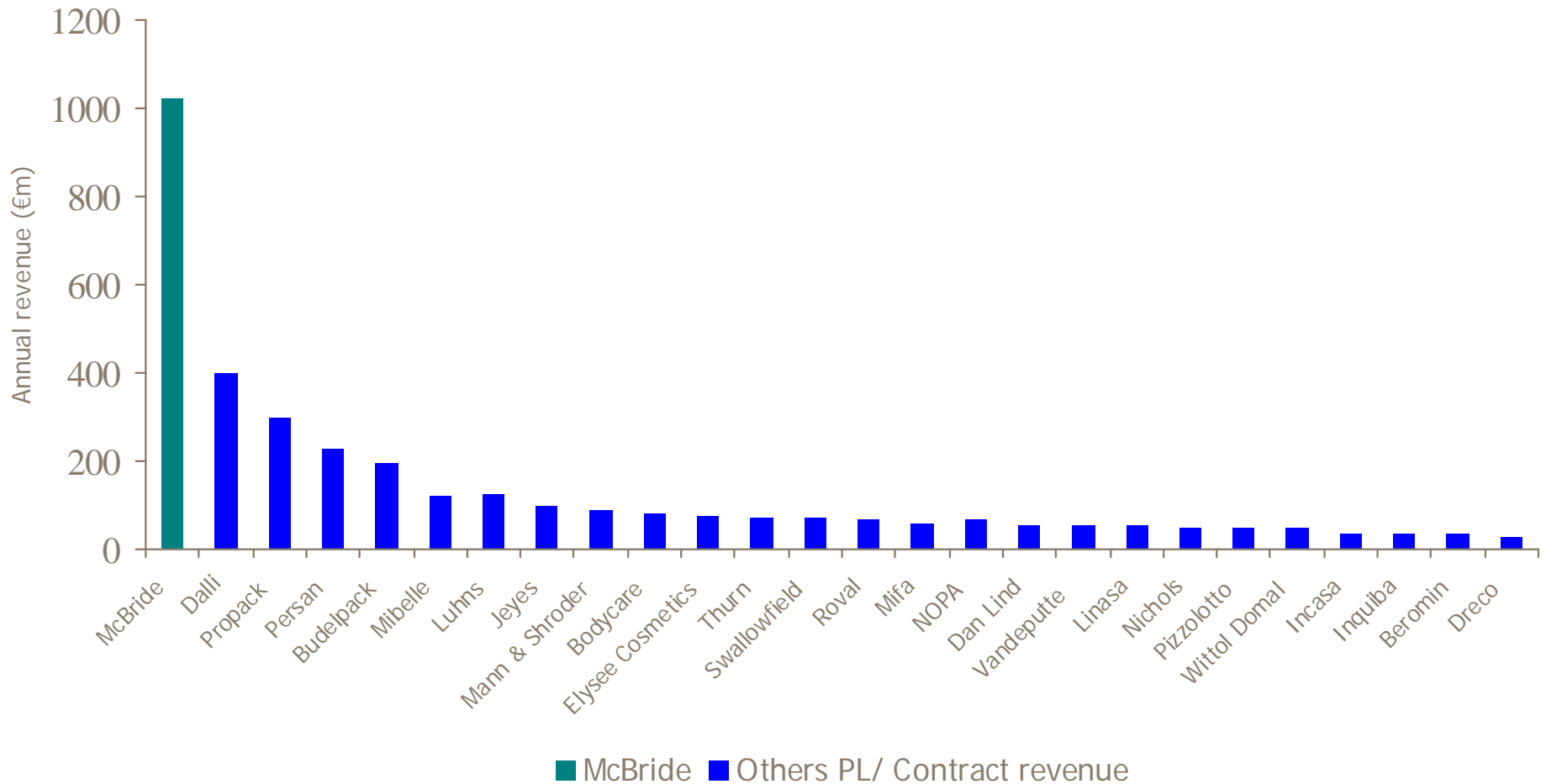
Factories with personal care activity



Introduction to McBride - November 2008



European private label household and personal care product providers



Strategy

Lead the growth of private label household and personal care products in Europe



Commercial leadership

Attractive product categories

New product development

Category development

Growth retail and geographic sectors



Operational leadership

Customer service excellence

Improve efficiency

Continuous cost management

Optimise working capital and asset base



Enabling

High performance leadership and culture

Leverage increasing scale

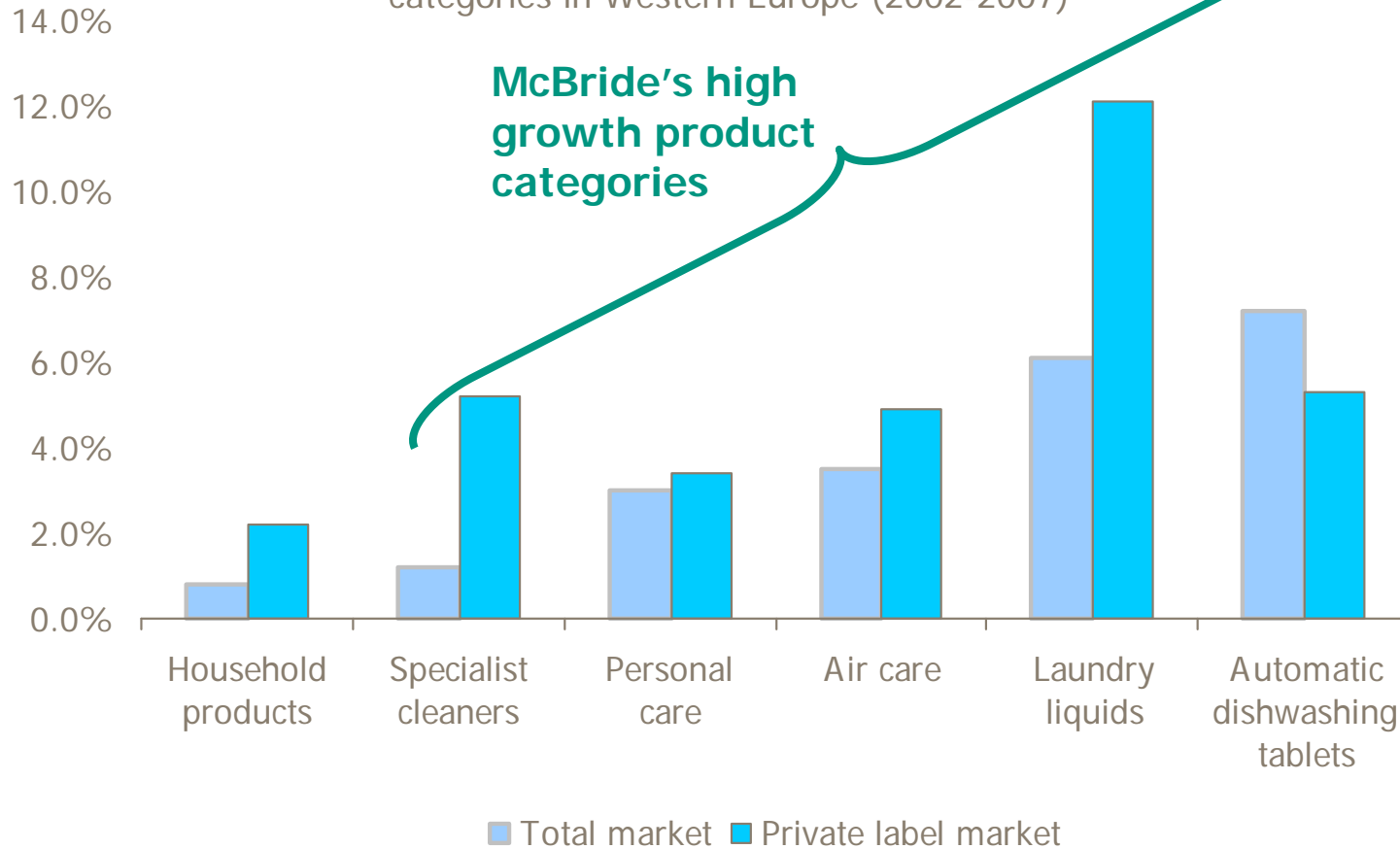
Develop and leverage technology platform

Complementary acquisitions



McBride's growth product categories - attractive growth potential

Compound annual growth rates for various product categories in Western Europe (2002-2007)



Source: Euromonitor



Why is private label share growing?

- » Retailer concentration
- » Growth of discount retail sector
- » Retailer strategy
 - need to differentiate
 - margin enhancement
- » Consumer preference
 - quality vs price
 - performance vs branded products (e.g. Stiftung Warentest)
- » Innovation
 - premium
 - convenience
 - environmental



McBride established business model

- » Focus on Private Label
- » Use scale advantage to provide efficiency and value added services
 - market and consumer intelligence
 - category development advice
 - technical and product safety
 - fast, high quality innovation
 - best in class customer service
- » Heavy usage of SAP systems - workflow and financial
- » Stock replenishment and link to customer systems
- » Competitive advantage from quality of people, attitudes & behaviours
- » Strong financial position and high asset utilisation
- » Continuous cost management



New product development

- » Key competitive advantage
- » Aligned with growth/profitable product categories
- » Focus on improving environmental performance
- » Focus on 'best value' products
- » Supporting retailer differentiation

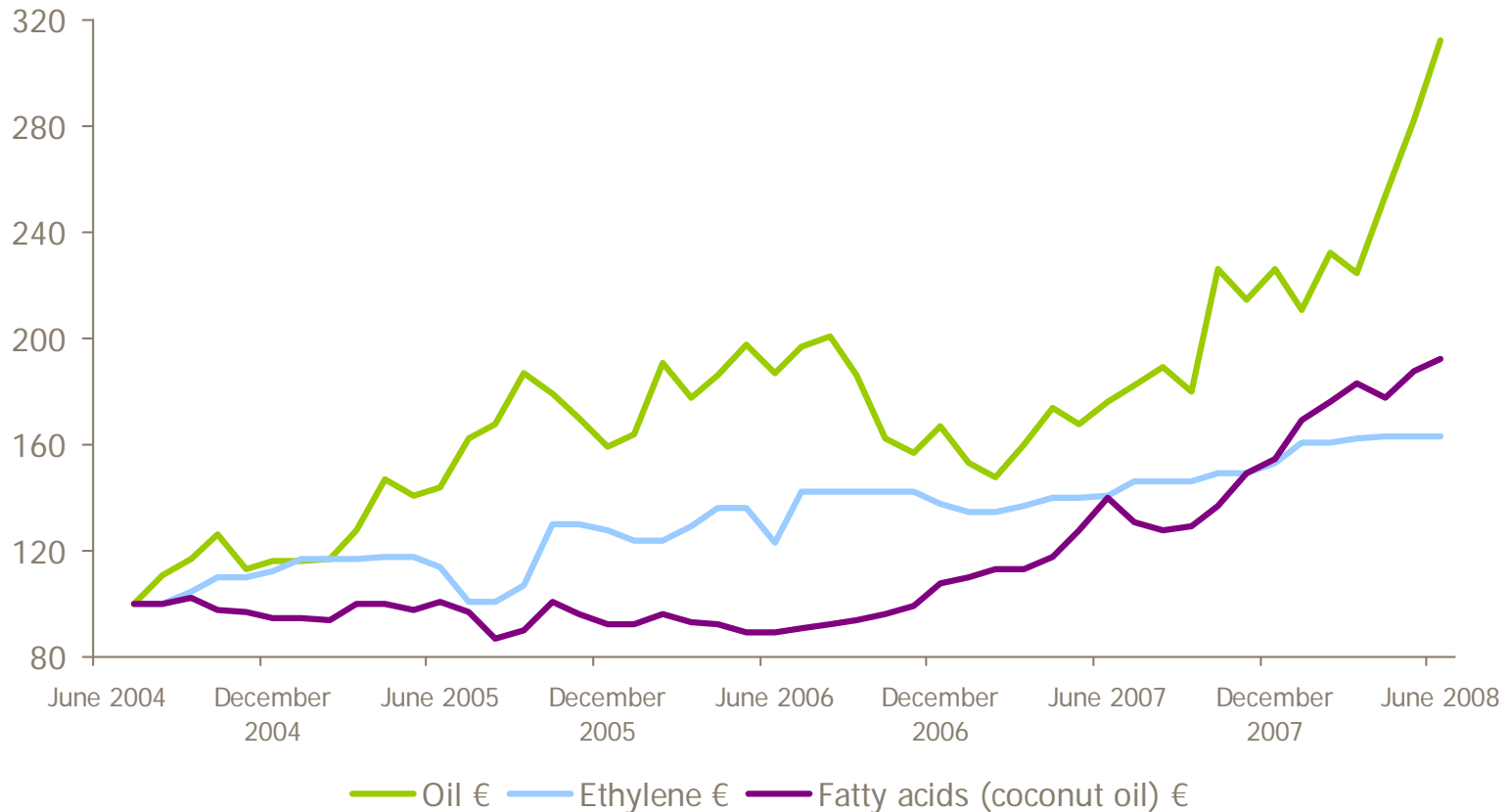


Strategy for growth - acquisition

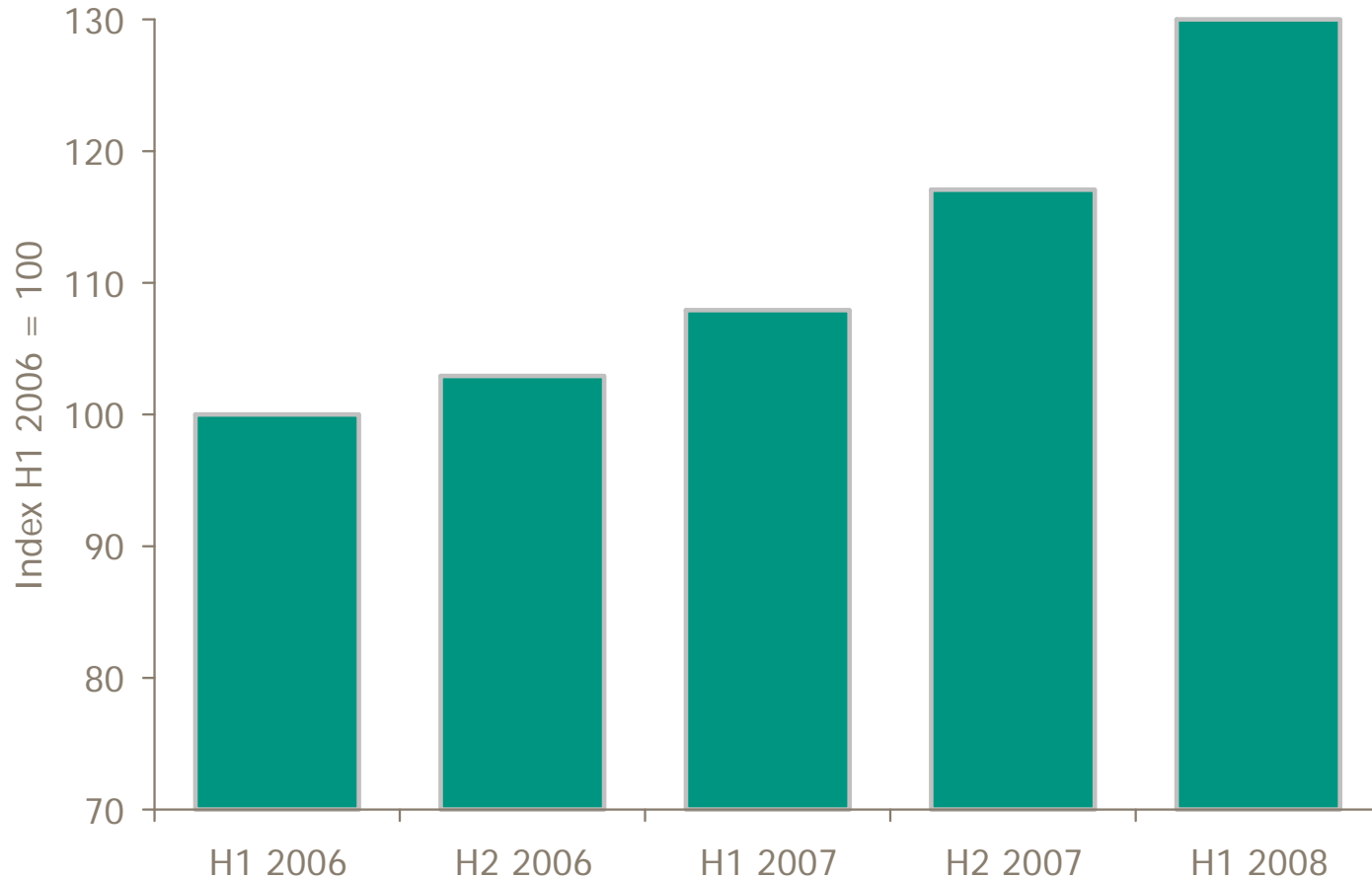
- » Focus on attractive product categories : auto-dishwash, specialist cleaners, liquid detergents, air care and personal care
- » Diversify away from UK and France
- » Leverage established business model and systems
- » Consolidation opportunity
- » Attractive returns available



Prices of key raw materials and feedstocks (2004-2008)



Raw material cost index (2006 - 2008)



Note: Chart shows weighted index of average purchase cost in relevant calendar period of largest value raw materials used by McBride



Continuous cost management

- » Purchasing strategies/alternative sources
 - buying long
 - increased sourcing from China etc
- » Alternative ingredients
- » Value engineering
- » Improved efficiency
 - reduced waste
 - labour productivity
 - capital investment
 - leverage increasing scale
 - enhancing asset utilisation
- » Changes to pack formats
- » Overhead reduction

Financial profile

- » Annualised revenues of approximately £700m - UK 42%; France 23%
- » Strong growth in personal care
- » 2008 operating margins around 4%
 - UK 5%, WCE 3%, ECE 6%
 - Household 4%, personal care 5%
- » Upward pressure on raw material costs
- » Acquisitions £58m in 2006/7
- » Capital expenditure up £7m to £26.4m (1.2x depreciation)
- » R & D investment up £0.7m to £5.9m

	Year to 30 June 2006	Year to 30 June 2007	Year to 30 June 2008
<i>Figures in £m unless otherwise stated</i>			
Revenue	540.1	592.0	700.9
EBITA *	31.2	34.5	27.0
- EBIT margin	5.8%	5.8%	3.9%
PBT *	29.9	32.1	21.3
EPS (diluted)	11.6	12.7	8.6
DPS (p)	5.1	5.6	5.6
Net debt	29.1	80.9	103.3

· Note: Figures exclude exceptional items and amortisation of intangible assets



Summary

- » Leading supplier of FMCG products in growing private label segment
- » Robust business and financial model
- » Clear strategy
 - lead growth of private label HPC products in Europe
 - blend of organic and acquisitive growth
 - focus on selected attractive product categories
 - increase presence in growing markets of Eastern Continental Europe
 - enhance exposure to growing retail distribution channels
 - continuous improvement of operating performance
 - increase shareholder value
- » Significant future opportunities

