



McBride plc
Preliminary Results
Year Ending 30th June 2004

9 Sept 2004

Key Message

Business Strategy has again delivered Full Year Profit, Cash and Dividends in line with market expectations

Strategic Objectives

To:

- Build on No 1 Private Label household & personal care position
- Be Retail Partner of choice
- Focus on profitable sales
- Improve operational efficiency and increase asset utilisation
- Maintain focus on cash generation
- Return value to Shareholders

Strong Results

- **Sales up 3.0%** (£501.3m vs £486.8m - restated)
- **Operating Profit* up 12.9 %** (£35.1m vs £31.1m- restated)
- **Operating margin*** 7.0% vs 6.4%
- **Strong Cash Generation** - Lower Debt, Reduced Gearing
- **EPS up 22.7%** (13.5p vs 11.0p)*
- **Dividend up 37.9%** (4.0p vs 2.9p)
- **Share repurchase will be recommended for 10% of Share Capital**

* Pre Exceptional items and Goodwill amortisation

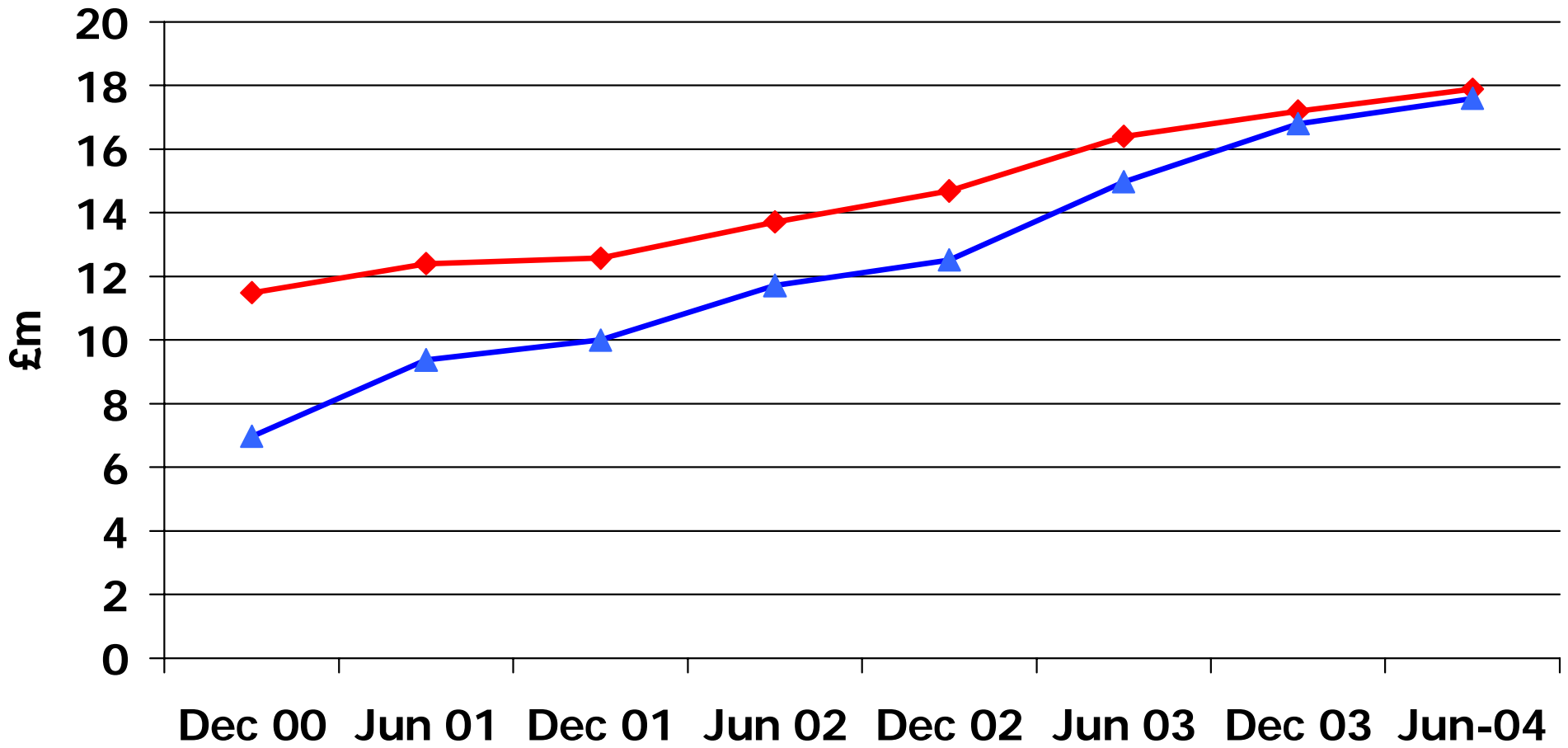
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Trading Highlights

- CE/ROW sales by destination £290.8m, up £16.1m +5.9%
- Core PL/MB at constant currency £479.7m, up £10.4m +2.2%
- France & Italy sales up 8.7% and 11.8% respectively, Volume even stronger
- Household & Personal Care sales and profit growth
- APL: Improved contribution, Full ownership from 6th September
- Continuing focus on operating efficiencies and asset utilisation
- Breda factory and Estaimpuis I&I facilities closures

Consistent Profit Growth - 7 Half Years



◆ Operating Profit ▲ Pre Tax Profit

Excluding JV and Goodwill



Financial Highlights

- Pre tax profit £34.9m* up 26.4% (£27.6m)
- Operating Cash Flow £52.8m up 1.9% (£51.8m)
- Net Debt at £31.4m vs. £61.1m at 30th June 03
- APL Profit Before Interest & Tax £0.8m (£0.5m),
McBride Group share
- Earnings per Share 13.5p*, up 22.7% (11.0p)
- ROACE pre exceptional 25.4% vs. 19.6% year to 30th June 03
- Change in Accounting Policy- FRS5 Application Note G

Operating Profit up 12.9%

£m

2003/04

2002/03
Restated

Sales	501.3	486.8
Operating profit	35.1	31.1
Share of JV Operating Profit	0.8	0.5
Interest	(1.0)	(4.0)
Profit Before tax pre exceptional	34.9	27.6
Goodwill Amortisation	(1.4)	(1.4)
Breda Exceptional	(3.3)	-
Tax	(9.9)	(7.9)
Profit After Tax	20.3	18.3
EPS (Pence) before goodwill & exceptional item inc JV	13.5	11.0

Strong Cash Generation £52.8m

£m

2003/04

2002/03

Operating profit pre Breda and Goodwill amortisation	35.1	31.1
Depreciation	18.5	22.9
EBITDA	53.6	54.0
Loss on Disposal	-	0.1
Working Capital Movement	8.8	8.9
Financing & Taxation	(9.6)	(11.2)
Operating Cash Flow	52.8	51.8
Capital Expenditure	(17.2)	(10.3)
Free Cash Flow	35.6	41.5
Cashflow per Share	20.0p	23.4p

Strong Balance Sheet

£m	2004	2003 Restated
Intangible fixed Assets	7.6	9.0
Tangible Fixed Assets	124.6	128.3
Fixed Assets	<u>132.2</u>	<u>137.3</u>
Stocks	38.8	41.1
Debtors	114.9	114.7
Creditors	<u>(147.5)</u>	<u>(143.8)</u>
Working Capital	6.2	12.0
Provisions	(14.1)	(7.9)
Net Debt	<u>(31.4)</u>	<u>(61.1)</u>
Net Investments in JV	(1.2)	(1.7)
Net Assets	<u>91.7</u>	<u>78.6</u>
ROACE % pre exceptional	25.4%	19.6%

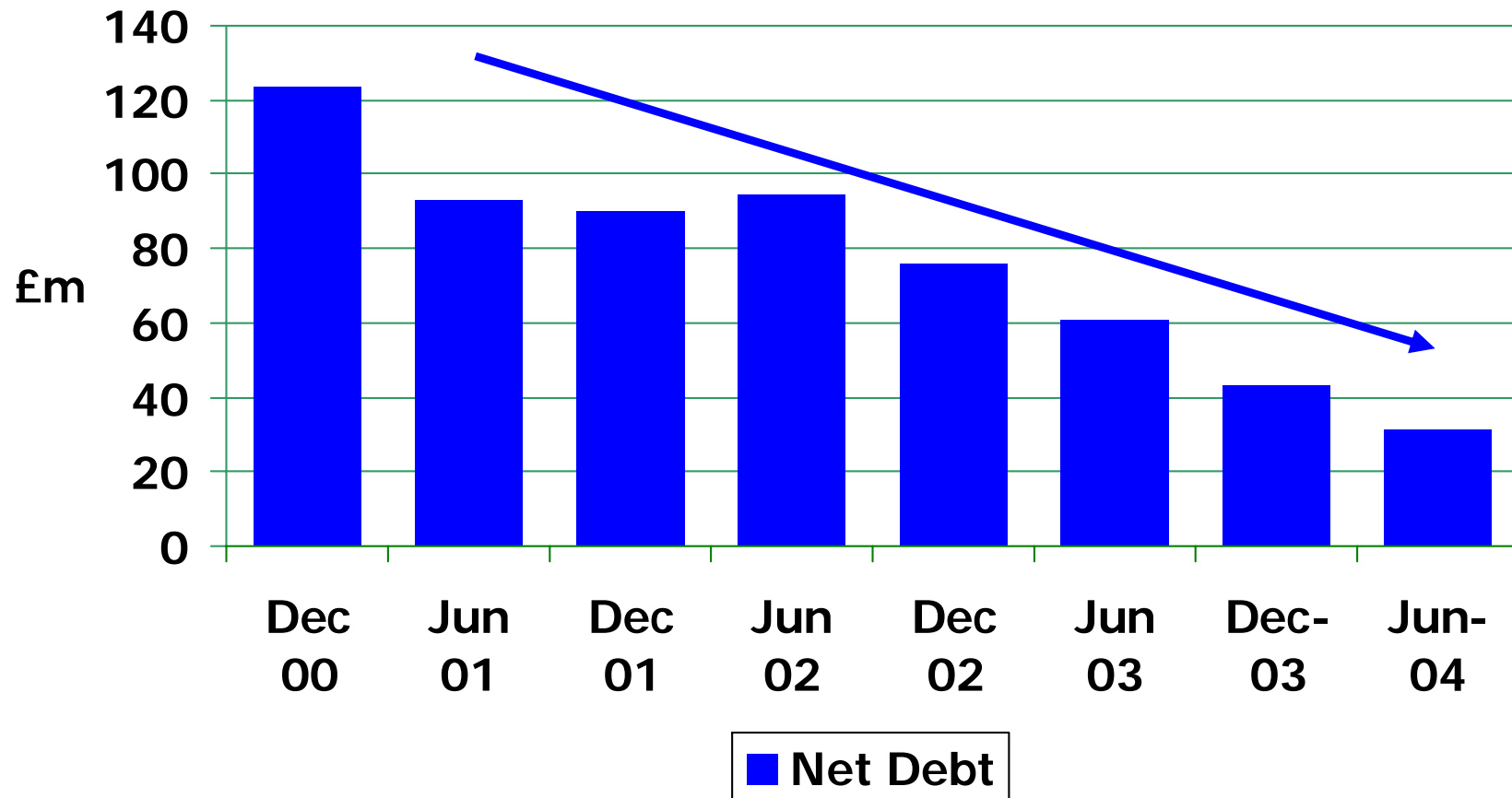
Full ownership of APL- Payback less than 1 year

	Actual	APL Consolidation
	<u>£m</u>	<u>£m</u>
APL Operating Profit	0.8	1.6
Interest received from APL	0.6	0.0
Interest expense in APL	(0.3)	0.0
Joint Venture Tax Income	0.0	1.0
	<u>1.1</u>	<u>2.6</u>
Goodwill amortisation	0.0	(0.1)
	<u>1.1</u>	<u>2.5</u>
Cost of Purchase		1.0

Breda closure : Payback 2.5 years

£m	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Profit Impact (Pre Tax)	(3.3)	1.4	2.8
Cashflow impact			
Exceptional Item	-	(3.3)	-
Capex	(3.5)	(1.5)	-
Proceeds from Land sale	-	-	1.0

Lower Net Debt - Reduced Gearing



Gearing

131%

147%

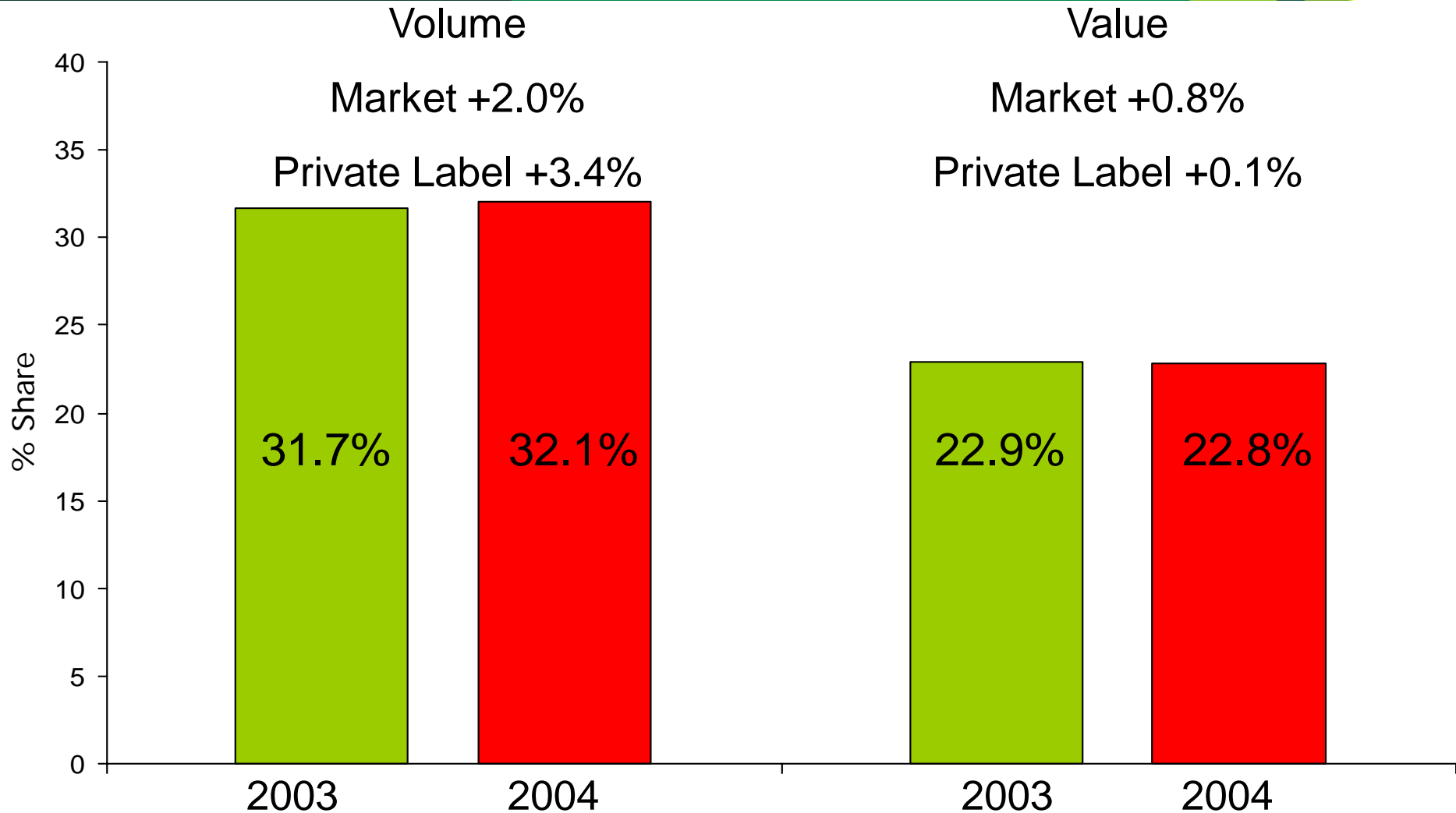
78%

34%

Business Strategy

- Household and personal care - Private Label focus
- Europe main growth opportunity
- CSL/ speed to market -competitive edge
- Flexible large scale supply- efficiency gains
- Lowest cost asset base - rationalisation
- Scope and Resources for disciplined expansion
- Maintain Cash / Average ROCE focus

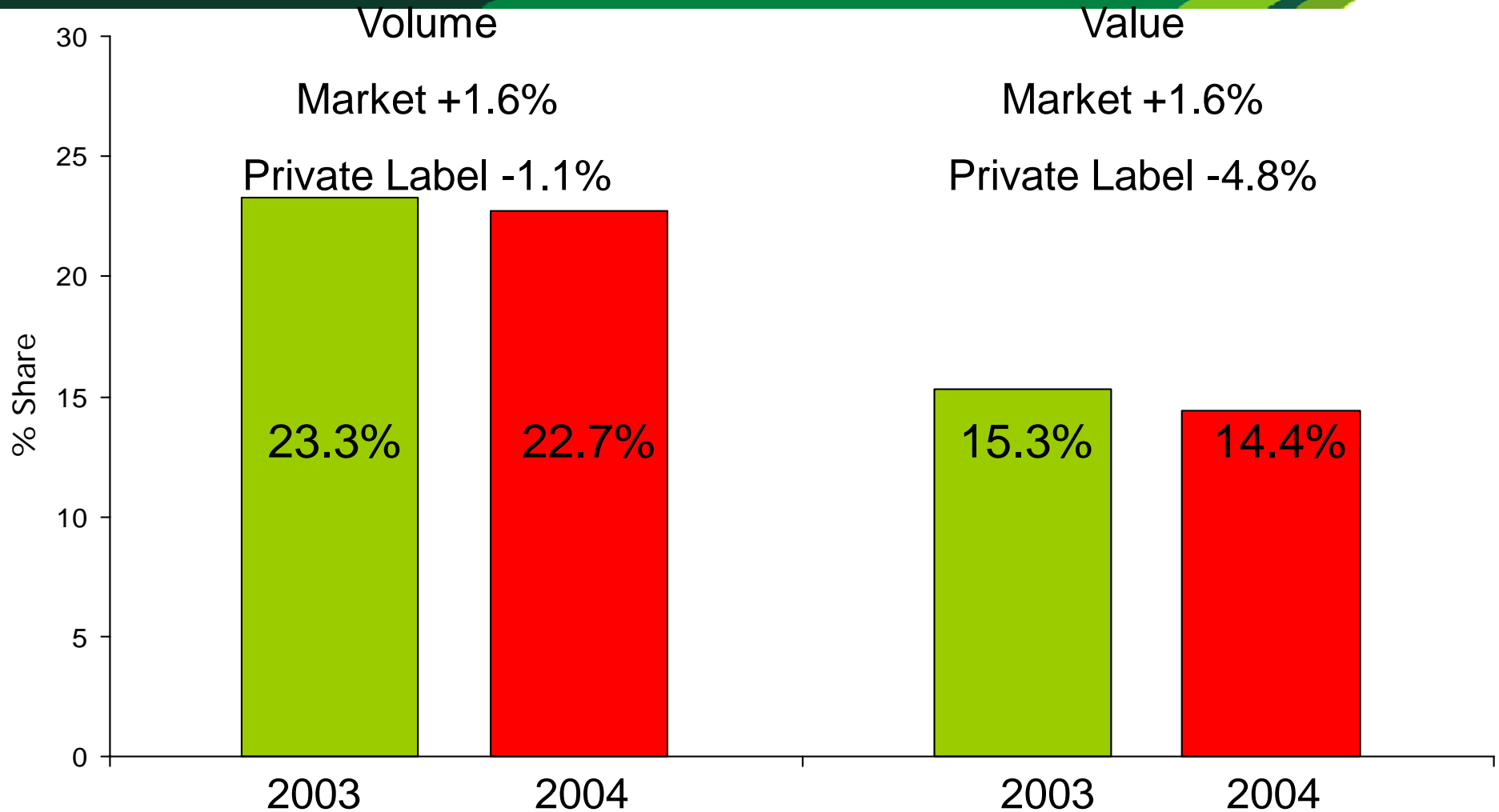
UK PL Household saw Volume Share growth and a marginal decline in Value Share



TNSofres data: 52 weeks ending 20 June
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UK PL Personal Care saw a slowing down in the Private Label share erosion

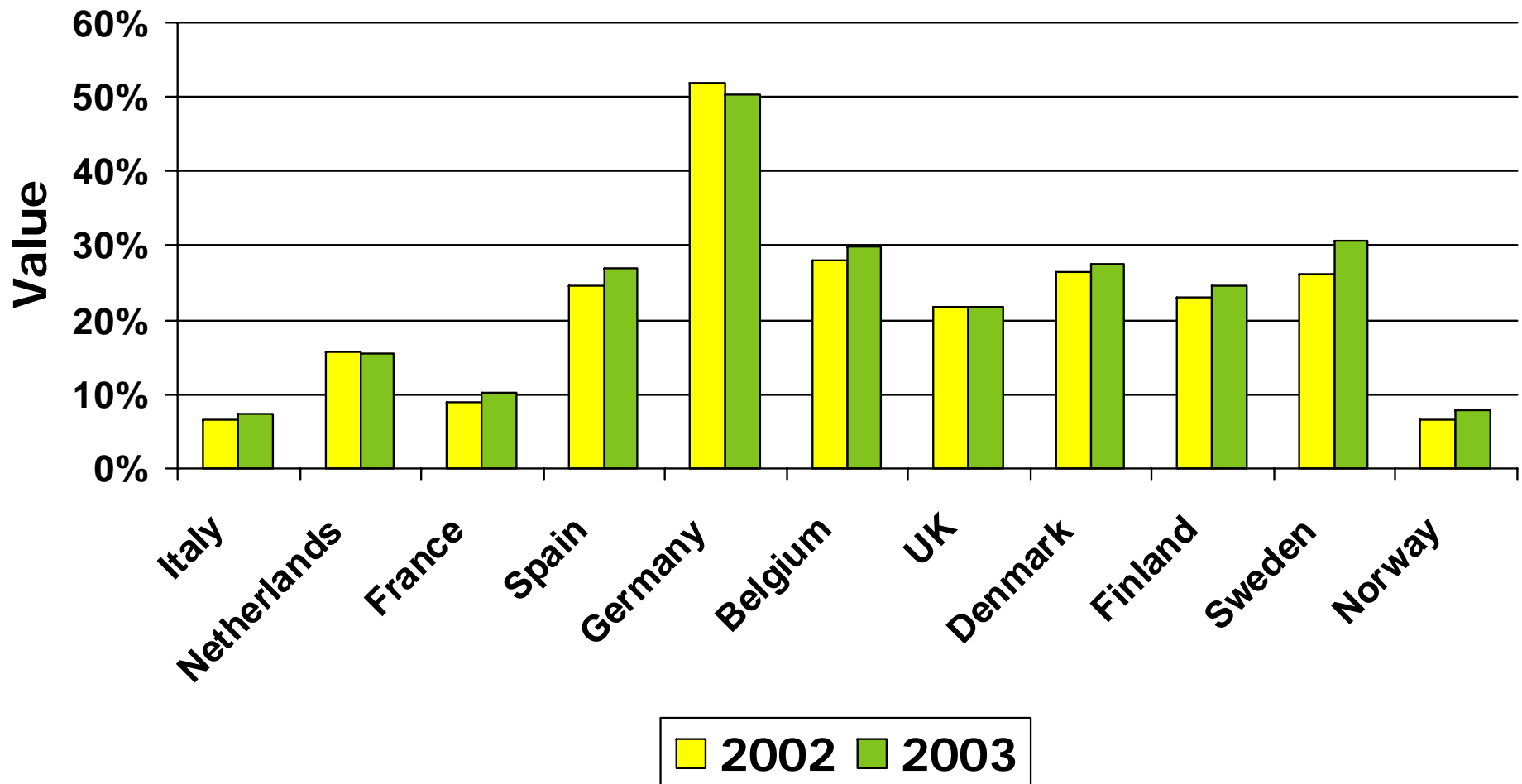


TNSofres data: 52 weeks ending 20 June

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Private Label Laundry Detergents continued share improvement in 9 of 11 markets

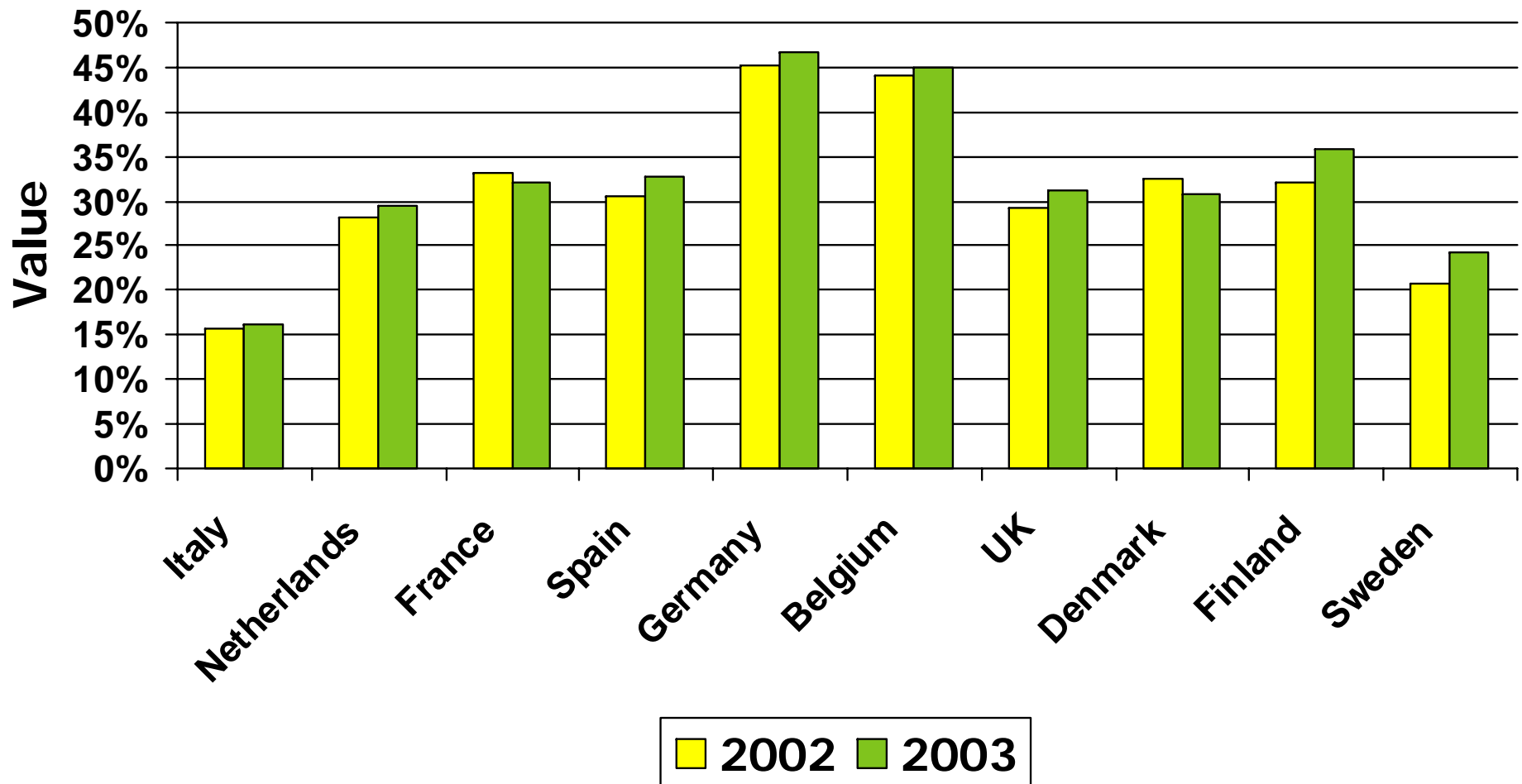


Source; PLMA's International Year Book 2004

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Private Label Washing up Liquids saw gains in 8 out of 10 markets

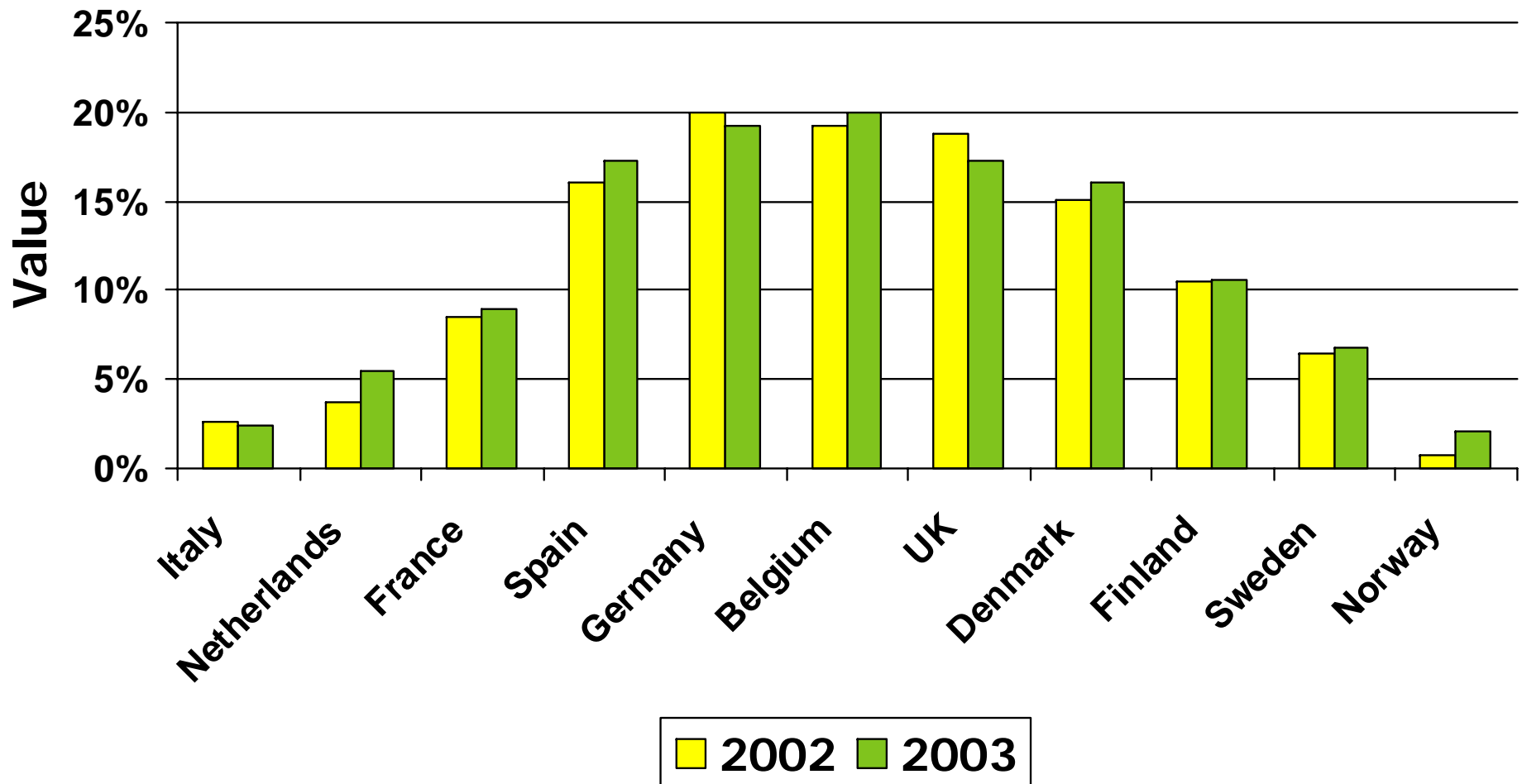


Source; PLMA's International Year Book 2004

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Private Label Shampoo is less developed but has over 15 % share in 5 countries



Source; PLMA's International Year Book 2004

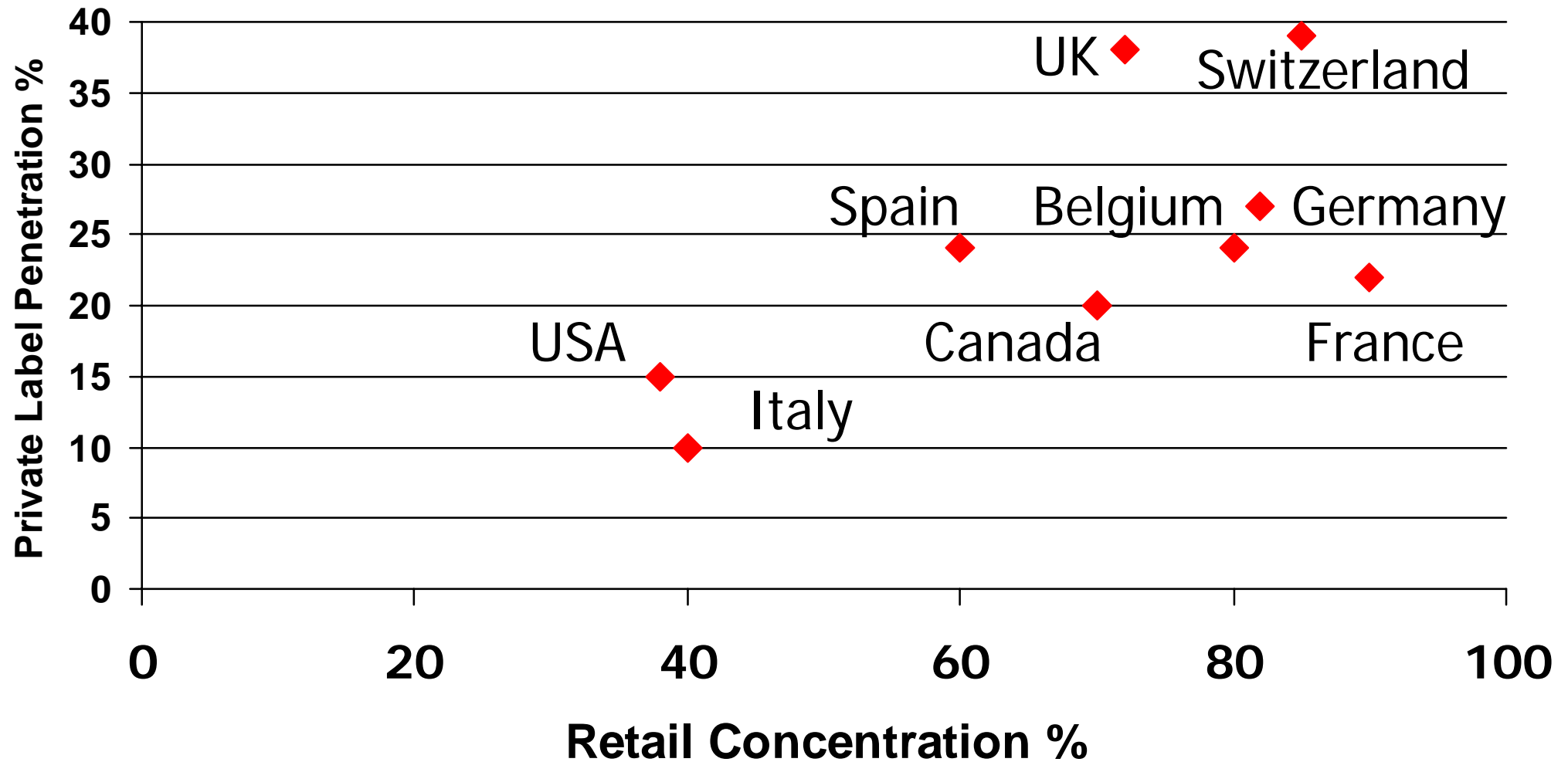
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Key Drivers of Private Label Growth are:

- Retail Concentration
- Discount Sector Growth
- Consumer Propensity to Buy

Top 5 retailers share vs. Private Label share

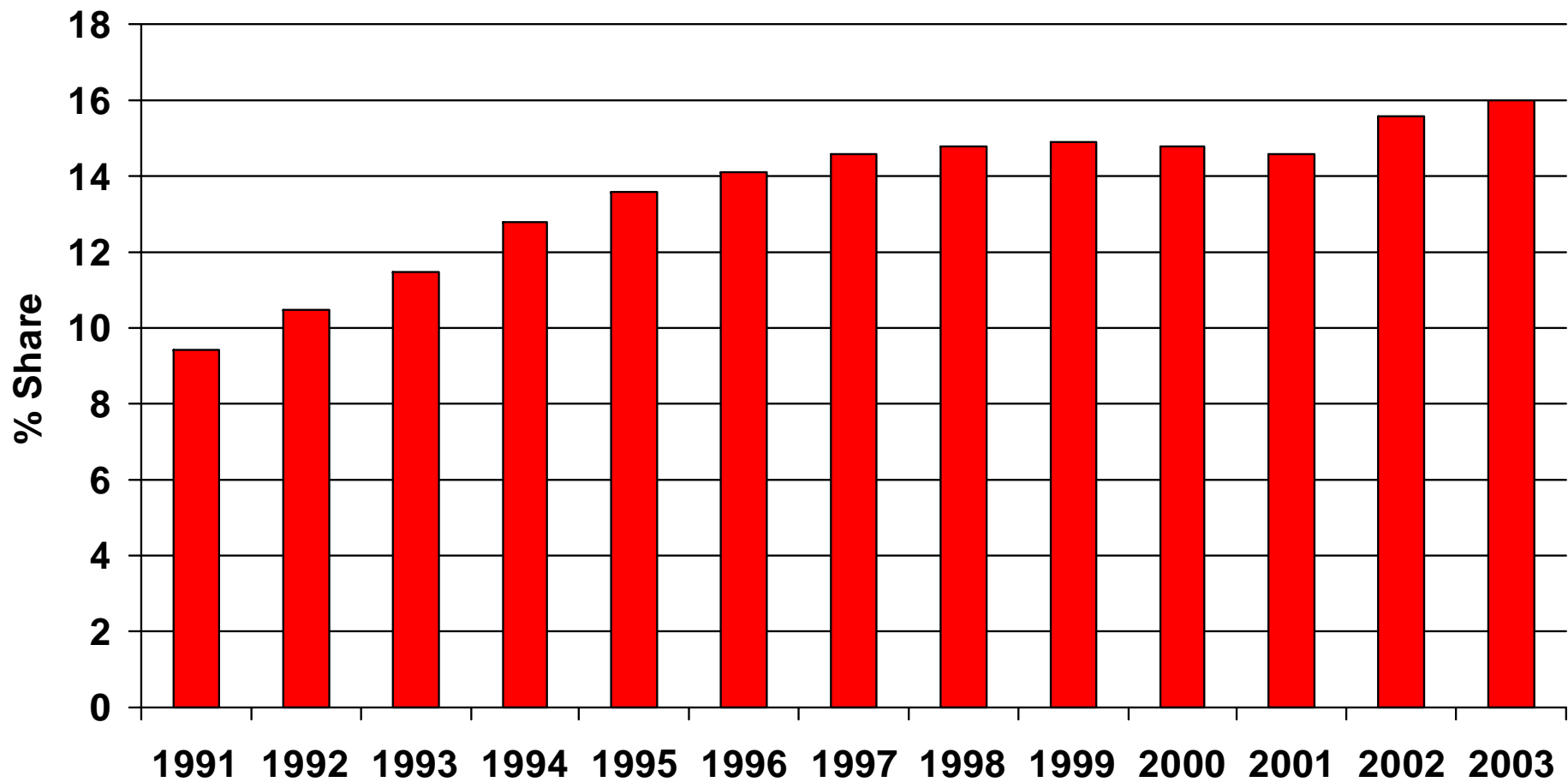


Source J P Morgan 2002

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Hard Discounters Share evolution in Europe



Retailers objective is to establish early leading positions in emerging markets

Population	Poland	Czech	Hungary	Slovakia	Lithuania	Latvia	Slovenia	Estonia		Turkey	Romania	Bulgaria		Russia
Tesco	✓	✓	✓	✓						✓				
Metro	✓	✓	✓	✓						✓	✓	✓		✓
Carrefour	✓	✓	✓	✓						✓	✓	✓		
Auchan	✓		✓											✓
Casino	✓													
Ahold	✓	✓		✓										
J Martins	✓													
Lidl	✓	✓	✓	✓	✓	✓		✓				✓		
Rewe	✓	✓	✓	✓							✓	✓		
Delhaize / Cora		✓	✓	✓							✓	✓		
Spar	✓		✓				✓	✓						✓
Tengleman	✓	✓	✓	✓										

Top 5 position ✓

Store presence ✓

Establishing Stores ✓

McBride is expanding its scale and scope in Central Europe

1997-98 Market Analysis and research of CEE

1998 Acquisition of Intersilesia

1999 - New Factory built in Poland

2001 - New mixing Hall / Warehouse

2003/4 - Capacity Expansion

- Blow moulding / Filling

2004 - Washing Powder production

- Scouring Cream production

1999-00 Czech and Hungary Sales offices established

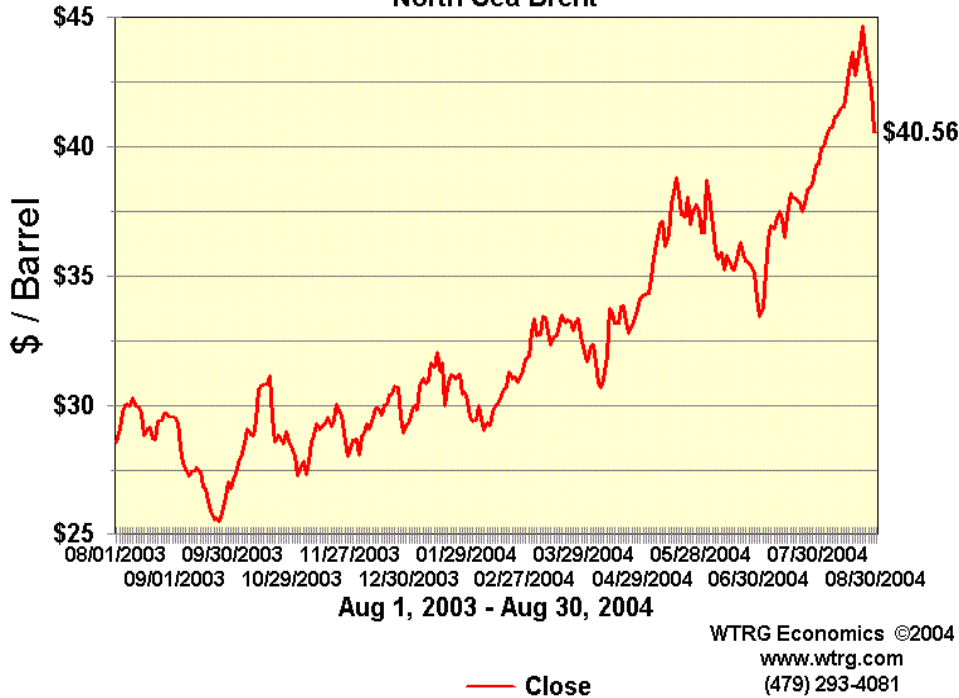
2004 McBride Moscow sales office established

Cost Control Efficiency Benefits

- Improved Labour efficiency and Material usage have held Gross Margin despite deflationary Selling Prices.
- Improved Asset utilisation
- Smooth closure of Breda Factory
- Further direct and indirect cost efficiencies for the coming year

Managing Raw Material Prices is a Core Skill

Crude Oil Spot
North Sea Brent



- Core Skill
- Many influences on raw material prices
- Oil affects to some degree about 60% of input prices
- Current prices in line with expectations
- Buy Long
- Reformulation
- Alternative sources and materials
- Manufacturing Efficiency

Current Trading

These results again demonstrate the continuing strength of McBride. Market conditions remain competitive but sales gains in Continental Europe and continuing operational improvements across the Group have further improved profitability.

Cash flow is strong and a substantial reduction in debt has again been achieved.

Since the year end, trading has been satisfactory.

Summary

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- **Operating Profit* up 12.9 %** (£35.1m vs £31.1m- restated)
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- **EPS up 22.7%** (13.5p vs 11.0p) *
- **Dividend up 37.9%** (4.0p vs 2.9p)
- **Share repurchase recommended**
- **Current Trading in line with expectations**

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Full Year effect of FRS5 Application Note G

- Turnover excludes discounts/rebates

Appendix 1

£m	2002-03 Restated	2002-03 Original	Change
Turnover	486.8	505.0	(18.2)
"Operating Costs"	(455.7)	(473.9)	18.2
Group Operating Profit *	31.1	31.1	-

- Blowmoulding Equipment reclassified to fixed assets from stocks

Balance Sheet	Stock	(2.2)	Fixed Assets	2.2		
Profit & Loss Account	Admin	1.0	Depreciation	(1.0)		
Cash Flow	Capex	(1.8)	Depreciation	1.0	Stock	0.8

* excluding goodwill amortisation

Underlying PL/MB sales up 2.2%

Currency Benefit £9.2m

£m	<u>2004</u>	<u>2003</u> <u>Restated</u>	Appendix 2 <u>+/- %</u>
Group sales reported	501.3	486.8	+3.0%
Currency gain	-	9.2	
Sales at Constant Currency	501.3	496.0	+1.1%
Less Contract sales	(21.6)	(26.7)	-19.1%
Total Private Label / Minor Brand	479.7	469.3	+2.2%
UK Private label / Minor Brand	206.3	211.0	-2.2%
Europe Private label / Minor Brand	273.4	258.3	+5.8%