

McBride plc
2004-05: Interim Results
10 February 2005

Key Messages

- Sales £268.0m up 5.5% (£254.0m)
- Continued growth in Europe
- Operating Profit £18.7m* up 8.7% (£17.2m)
- Strong underlying Cash Generation reduced Net Debt
- ROACE increased
- Earnings per Share 7.0p*, up 7.7% (6.5p)
- Interim Dividend is 1.5p up 25% (1.2p)
- Started share buy back

* Pre Goodwill amortisation

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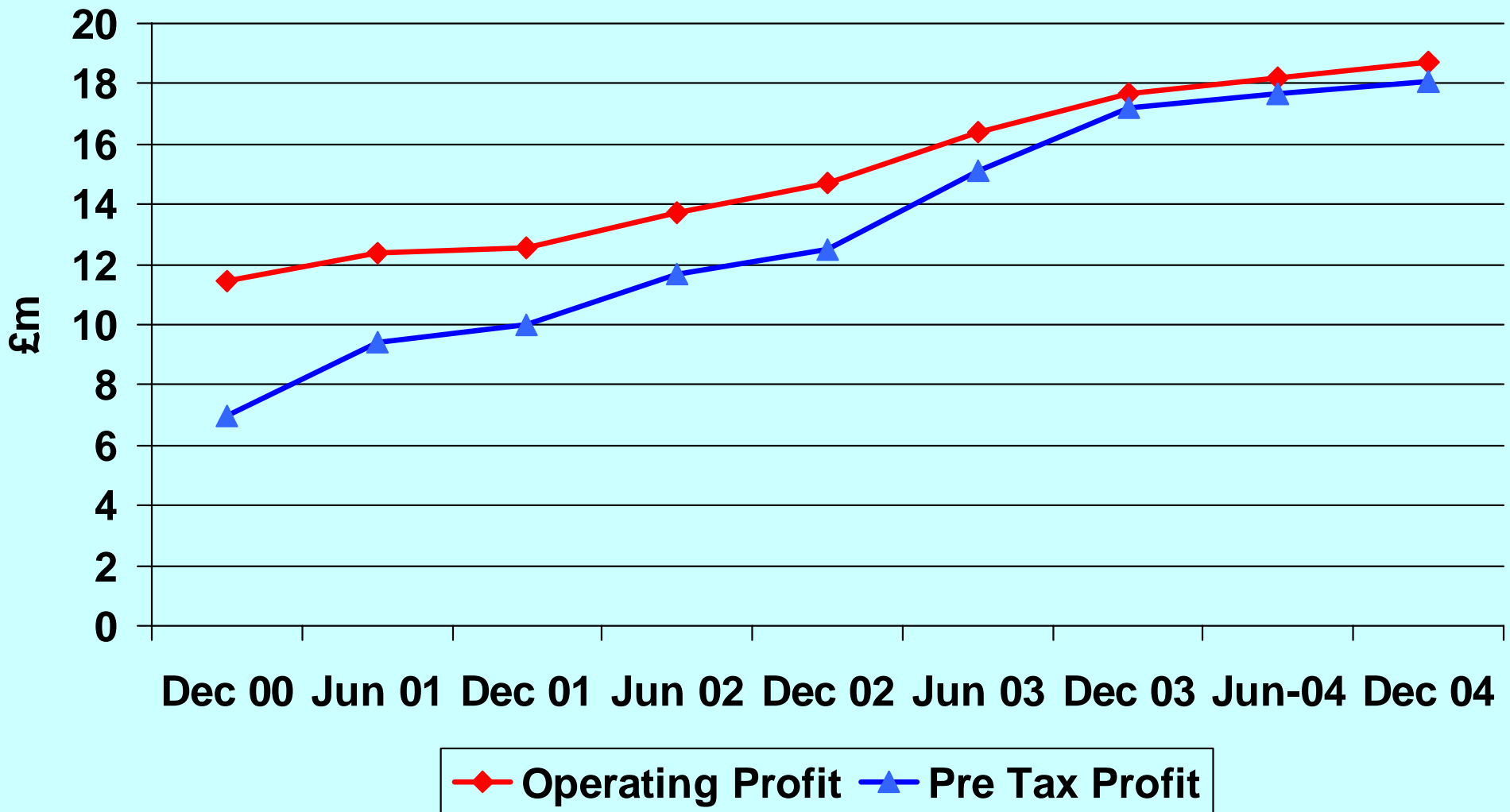
Trading Highlights

- Core PL/MB sales up 6.6% at constant currency
- European Growth PL/MB up 8.2%
- UK PL/MB up 4.7%
- Central European sales up 19.4%
- Personal Care PL/MB up 31.3%
- Breda factory closure successfully completed

Strategic Objectives

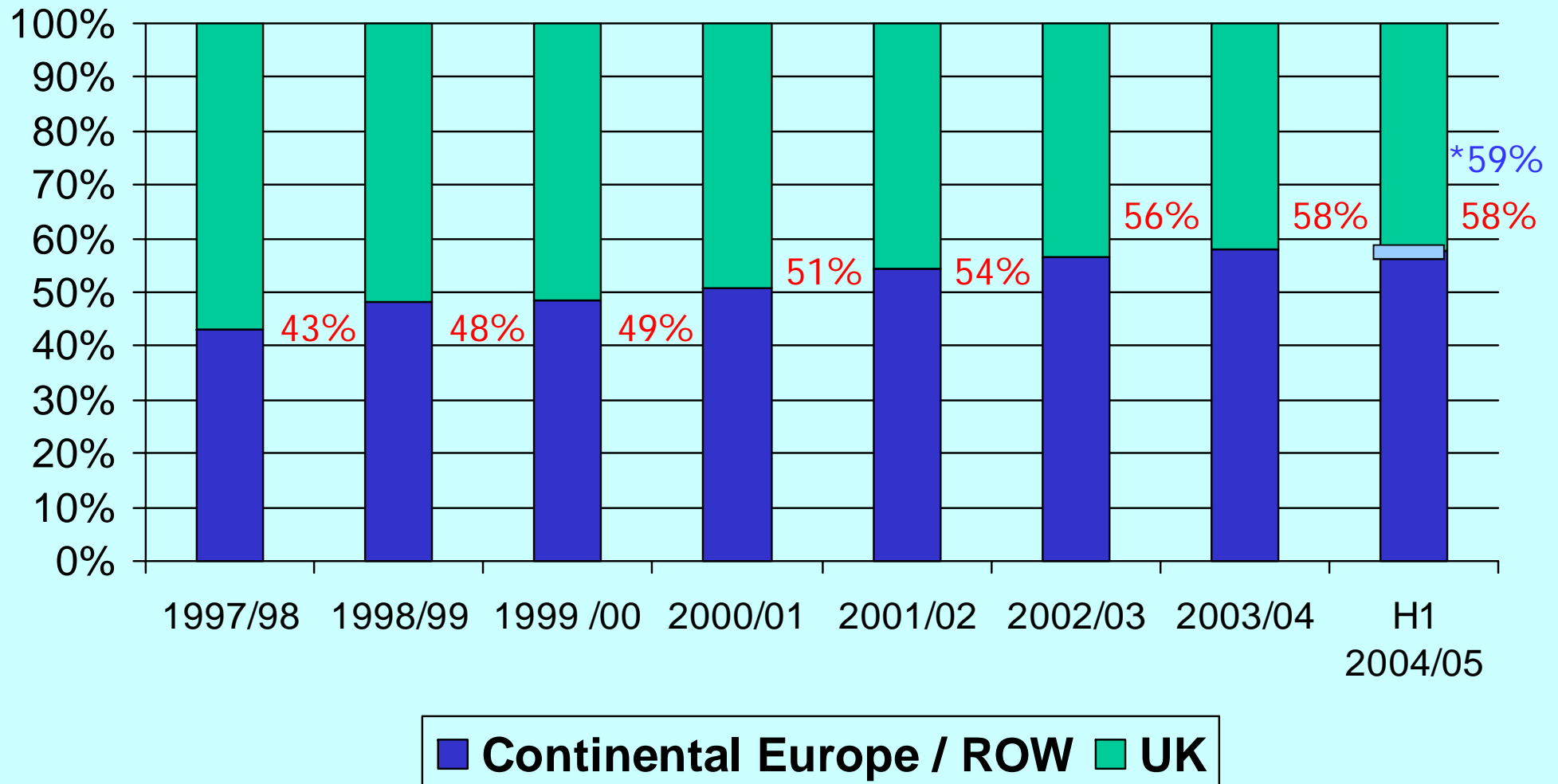
- Build on No 1 Private Label household & personal care position
- Be Retail Partner of choice
- Focus on profitable sales
- Improve operational efficiency and increase asset utilisation
- Maintain focus on cash generation
- Return value to Shareholders

Consistent Profit Growth 8 Half Years



* Pre Goodwill and Exceptional

Europe: Continued sales development



* CE / ROW would be 59% excluding APL

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Financial Highlights

- Pre tax profit* £18.1m up 5.2% (£17.2m)
- Earnings per Share* 7.0p, up 7.7% (6.5p)
- Operating Cash Flow* £24.9m (£29.3m)
- Net Debt at £29.5m vs. £31.4m at 30th June 04
- ROACE 28.5% vs. 25.4% year to 30th June 04
- IFRS - Compliance on track

* Pre Goodwill amortisation and Pre Exceptional costs

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Operating Profit up 8.7%

£m	Dec 2004	Dec 2003
Sales	<u>268.0</u>	<u>254.0</u>
Operating profit	18.7	17.2
Share of JV Operating Profit	0.1	0.5
Goodwill Amortisation	(0.6)	(0.7)
Net Interest	(0.7)	(0.5)
Profit Before tax	<u>17.5</u>	<u>16.5</u>
Tax	(5.5)	(5.6)
Profit After Tax	<u>12.0</u>	<u>10.9</u>
EPS before goodwill	<u>7.0p</u>	<u>6.5p</u>

Strong Cash Generation £24.9m

£m

Dec 2004

Dec 2003

Operating profit pre Goodwill amortisation	18.7	17.2
Depreciation	9.2	10.2
EBITDA	27.9	27.4
Working Capital Movement	3.3	4.9
Tax	(3.0)	(2.7)
Financing & Exchange	(3.3)	(0.3)
Operating Cash Flow pre Breda	24.9	29.3
Capital Expenditure	(8.7)	(6.1)
Breda exceptional / APL	(5.9)	----
Free Cash Flow	10.3	23.2
Cashflow (pre exceptional /APL) per Share	9.1p	13.1p

Impact of APL

Purchased Joint Venture partners share 6th Sept

Consideration	£1.0m
Goodwill on acquisition	£(1.3)m

Post Consolidation

Sales	£10.7m
Operating Profit	£0.5m
Share of Joint Venture profit	£0.1m

Strong Balance Sheet

£m	Dec 2004	Dec 2003
Intangible fixed Assets	8.1	8.3
Tangible Fixed Assets	135.1	125.0
Fixed Assets	<u>143.2</u>	<u>133.3</u>
Stocks	43.7	41.3
Debtors	109.0	113.9
Creditors	(155.3)	(149.1)
Working Capital	<u>(2.6)</u>	<u>6.1</u>
Provisions	(11.0)	(7.6)
Net Debt	<u>(29.5)</u>	<u>(43.6)</u>
Net Investments in JV	----	<u>(1.4)</u>
Net Assets	<u>100.1</u>	<u>86.8</u>
ROACE %	28.5%	24.2%

Key Financial Ratios

	<u>Jun 01</u>	<u>Dec 01</u>	<u>Jun 02</u>	<u>Dec 02</u>	<u>Jun 03</u>	<u>Dec 03</u>	<u>Jun 04</u>	<u>Dec 04</u>
ROACE %	12.2	13.6	15.6	18.0	21.6	24.2	26.8	28.5
Cash Flow / Share*	2.6	2.4p	9.7p	11.2p	12.2p	13.1p	9.0p	9.1p
EPS **	4.6p	3.7p	4.1p	5.1p	5.9p	6.5p	7.0p	7.0p
Dividend / share H1/H2	2.0	0.7p	1.4p	0.8p	2.1p	1.2p	2.8p	1.5p
Net Debt £m	(93.2)	(89.8)	(94.9)	(76.6)	(61.1)	(43.6)	(31.4)	(29.5)
Gearing	131%	119%	147%	107%	78%	50%	34%	30%
Interest Cover	3.8	4.9	6.6	6.4	11.2	30+	30+	30+





* Pre financing, equity dividends, acquisitions and Breda Closure

** Pre Goodwill and Exceptionals

Key Drivers of Private Label Growth

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

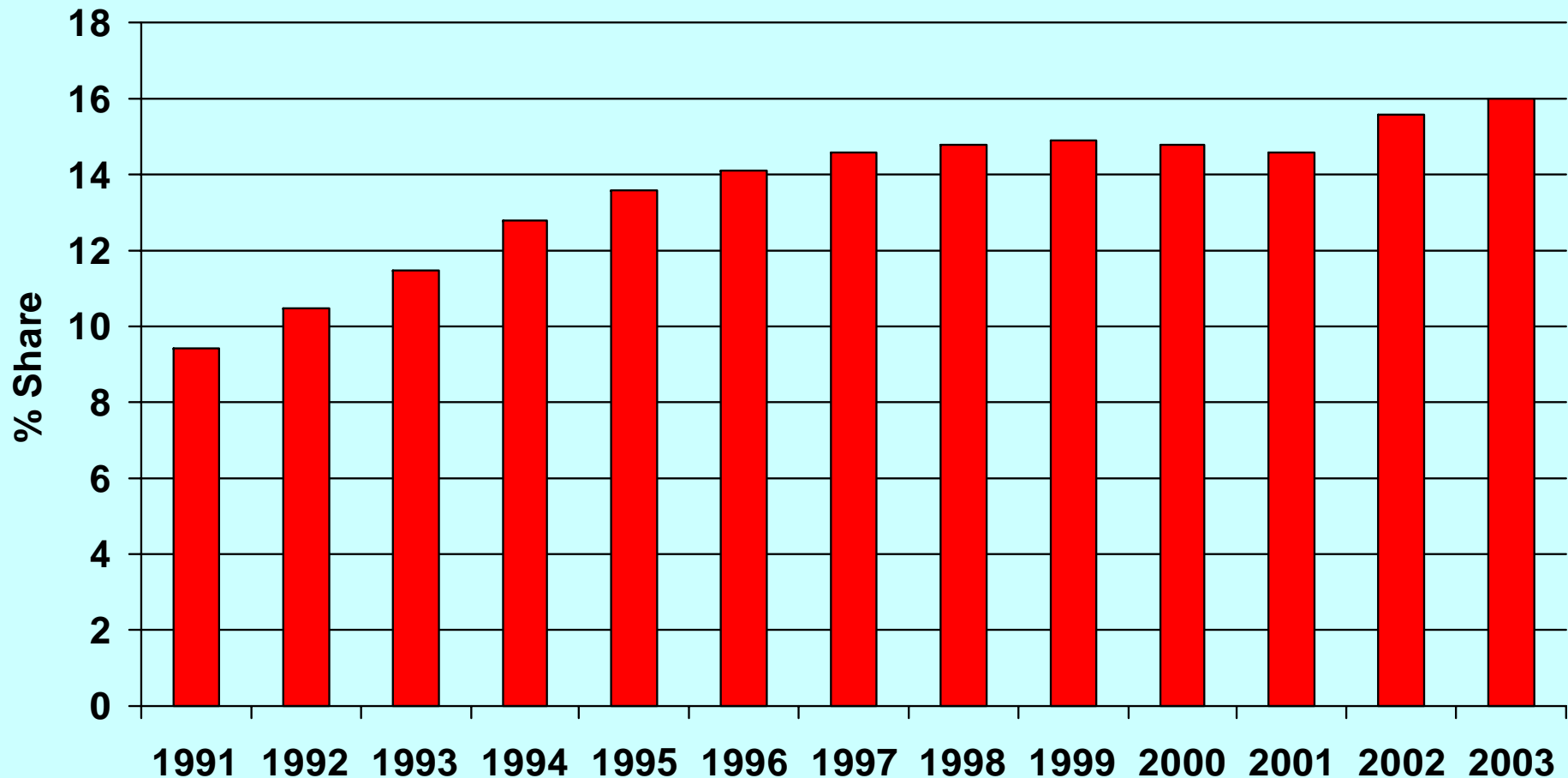
UK Top 4 Retailers Increase Concentration

	Market Share (£)	
	2004 *	2005 *
	26.6%	29.0%
	16.7%	17.1%
	16.3%	15.9%
	14.5%	12.4%
	74.1%	74.4%

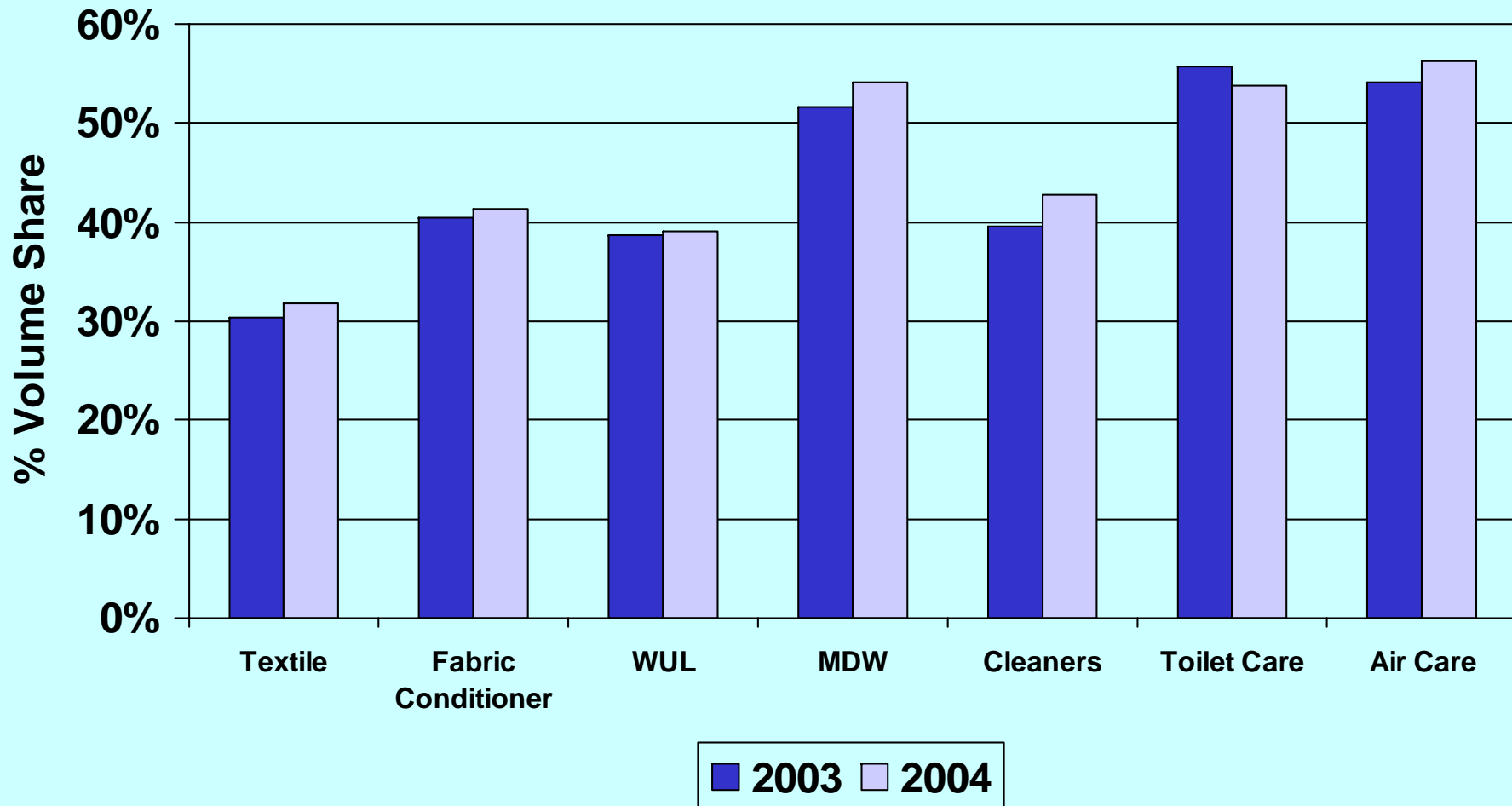
* 12wks Ending

Source TN Sofres

CE Hard Discounters still growing Share



UK Household PL/MB sector gained share (vol)

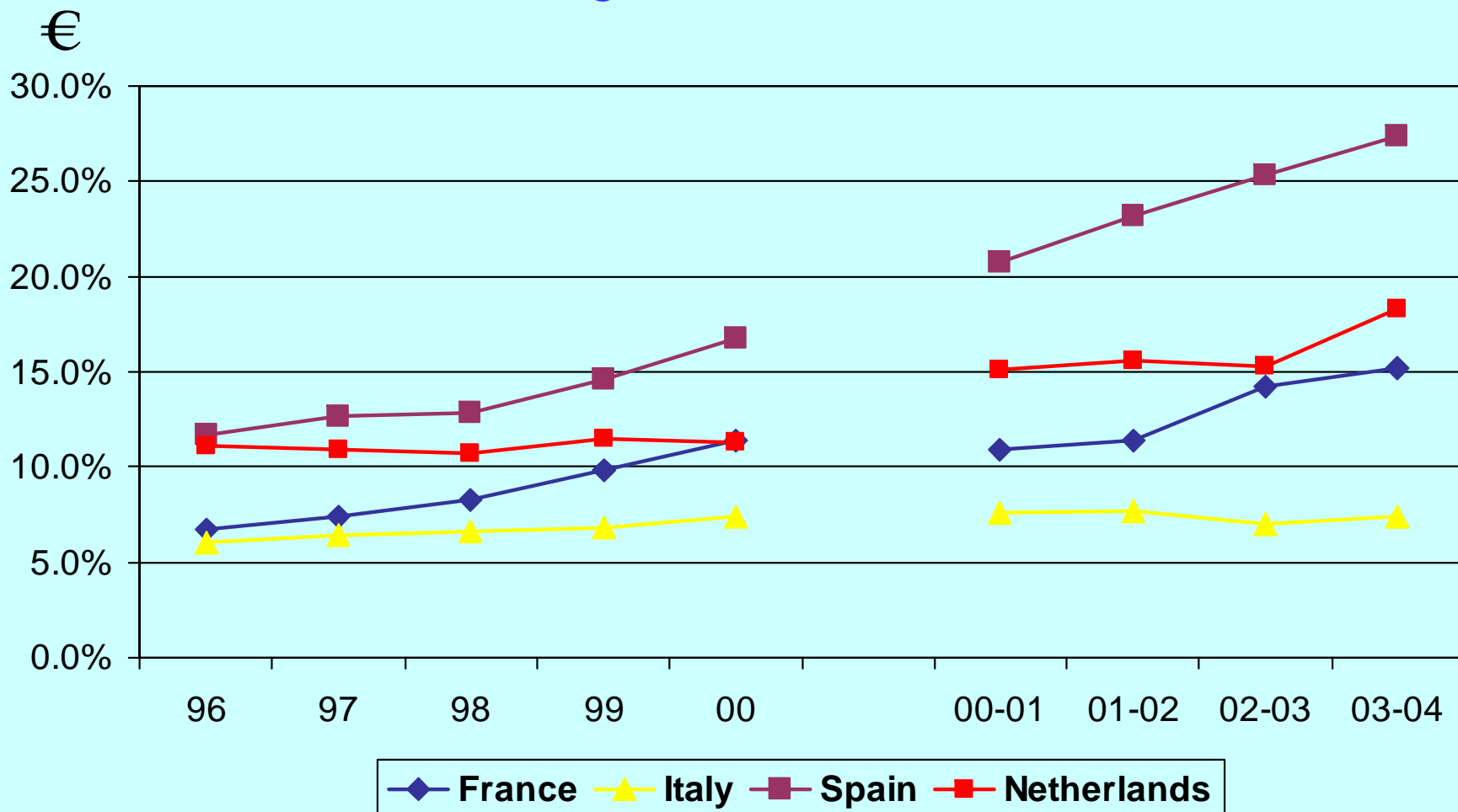


Source TN Sofres

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CE Household Products PL gained share in Major Countries



Source: 1995-1999 Nielsen 2000 - 2004 IRI

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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 / ROACE focus

Group-wide Sales Growth in PL/MB

Constant Currency	<u>H1</u> <u>2003</u>	<u>H1</u> <u>2004</u>	<u>%</u>
McBride UK Household & Personal Care sales	106.2	111.2	+4.7%
McBride Europe Household & Personal Care sales	134.5	145.5	+8.2%
Group Household & Personal Care	240.7	256.7	+6.6%
Contract Sales	10.5	11.3	+7.6%
Group Sales at constant currency	251.2 *	268.0	+6.7%

* Exchange impact of £2.8 m

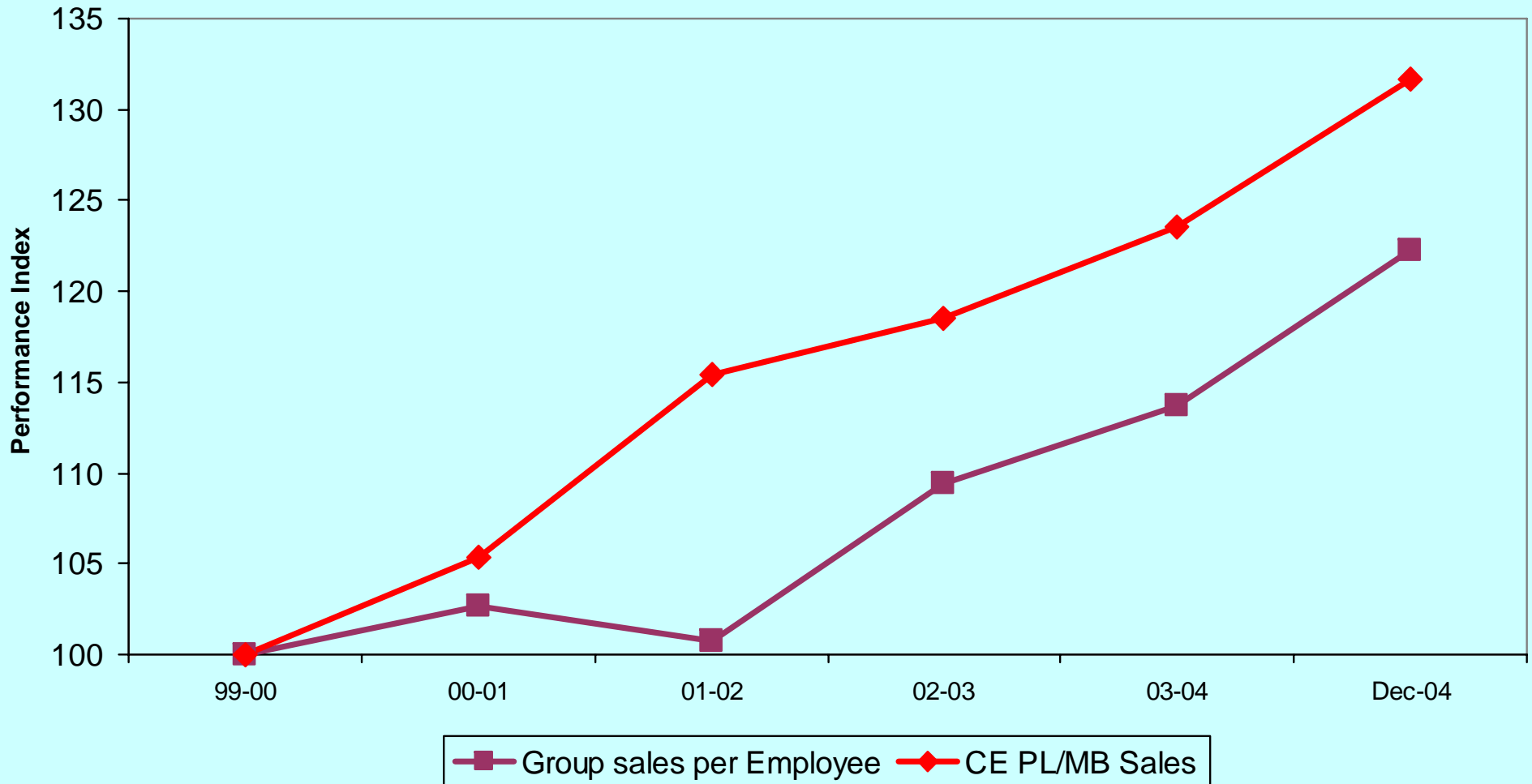
McBride Expansion in CEE

- Private label sales in CEE +16%
- Personal Care up in all CEE markets
- Intersilesia Sales +10%
- Sales in The Czech Republic +53%
- Sales in Hungary +51%

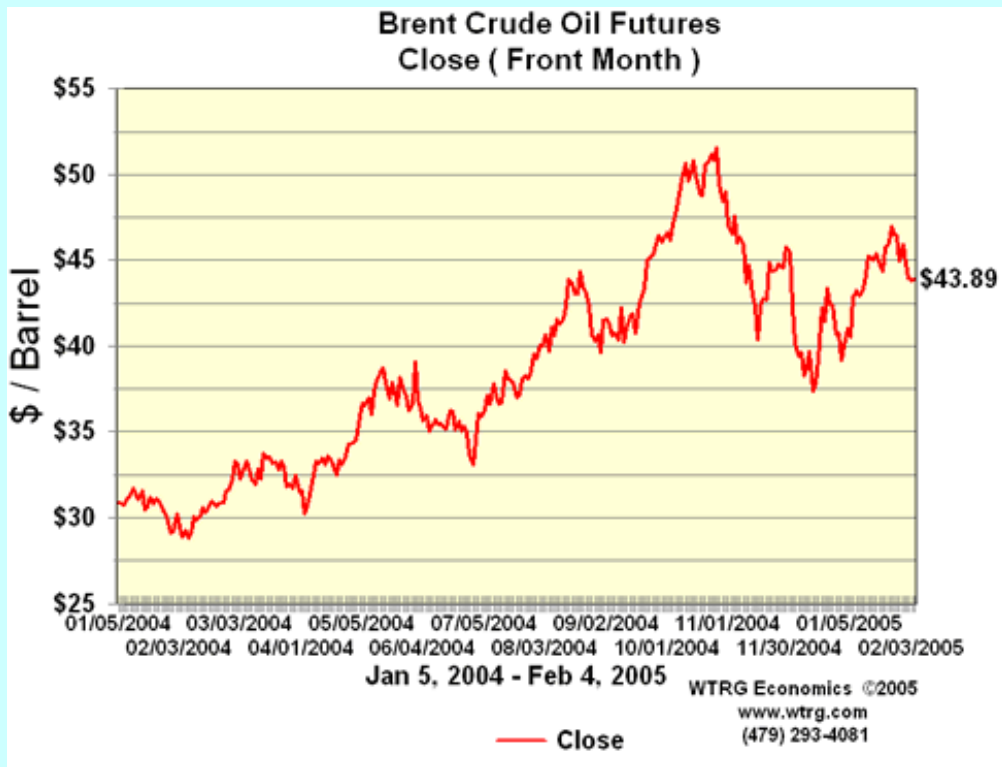
Cost Control Efficiency Benefits

- Improved Material usage supported have held Gross Margin despite Selling Price deflation.
- Improved Asset utilisation benefits Overheads and Labour Efficiency
- Smooth closure and transfer of Breda tonnage
- Direct and indirect cost efficiencies in strong focus

CE PL/MB Sales + 6.3% pa Total Labour Productivity + 4.4% pa



Managing Raw Material Prices is a Core Skill



- Core Skill
- Many influences on raw material prices
- Oil affects to some degree about 60% of input prices
- Buy Long
- Value Engineering
- Alternative sources and materials
- Material yield/ Productivity

Current Trading

Early trading in the second half of the year has started in line with expectations. The trading environment is as challenging as the market has known for many years and requires further improvements in internal efficiency.

Looking ahead we will maintain our focus on sales growth, cost management and operational performance in order to address the increasingly competitive market environment.

Summary

- Sales up 5.5% (£268.0 m vs £254.0m)
- Operating Profit* up 8.7 % (£18.7m vs £17.2m)
- Operating margin* 7.0% vs 6.8%
- Strong underlying Cash Generation
- EPS* up 7.7% (7.0p vs 6.5p)
- Dividend up 25% (1.5p vs 1.2p)

* Pre Exceptional items and Goodwill amortisation