



FINSBURY FOOD  
GROUP PLC

NEWSLETTER

APRIL 2005

OVERLEAF:  
INTERIM RESULTS  
MEMORY LANE CAKES  
NICHOLAS HARRIS  
COMPANY OUTLOOK



We look to exploit  
**niche opportunities,**  
adding value  
through existing  
relationships, **quality**  
of services, **flexibility**  
and **innovation.**

## Interim Results 22 March 2005

- ❖ Revenue of £29.2m (2003 £27.7m)
  - ❖ Profit on ordinary activities before tax of £0.7m (2003 (£0.3m))
  - ❖ Normalised basic earnings per share of 2.18p (2003 (0.97p))
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- ❖ Gross margins improved
- ❖ Cash of £2.3m generated from sale of surplus land (an exceptional profit of £1.8m is not in the results as completed in Jan 05)

## The Operating Companies:

### Memory Lane Cakes Ltd

UK's premium supplier of pre packed cakes to all major retail multiples with the exception of M&S. This includes supplying product both for retailer brands and its own portfolio of managed brands

### Highlights

- ❖ First year of a five year exclusive Nestlé licensing agreement proceeding to plan
- ❖ Implementation of strategic review is proving successful
  - Christmas period required no seasonal labour
- ❖ Core focus on high margin products continues to be implemented
- ❖ Control functions in supply chain, logistics & engineering significantly improved
- ❖ 12 key appointments including
  - Lisa Perrett appointed to operational board to drive commercial activities

### Nestlé Branded Business

Several new Nestlé products launched at the start of 2005, listed in every multiple. Including:



### Nicholas & Harris Ltd

A leading craft based bakery supplying premium, organic, speciality bread & morning goods (over 70 different products) with constant innovation & product development

### Highlights

- ❖ Waitrose key relationship: organic growth & store acquisition of 19 Safeway stores has driven the business forward. Relationship cemented by a high quality service where 140,000 units of bread are hand picked for stores each week
  - ❖ Major product launch with Asda scheduled April 2005; branded under Village Bakery brand plus new product development
  - ❖ Now part of Asda new product development briefing process
  - ❖ Simon Staddon appointed as Managing Director
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### Finsbury Food Group - Outlook

- ❖ Strong branded opportunities
- ❖ Infrastructure & platform in place for solid growth in 2005/06
- ❖ Stage one of capital expenditure program completed – investment to continue
- ❖ Reduced dependence on seasonal labour
- ❖ Good management teams in place to manage growth
- ❖ Sale of surplus land and positive cash flows expect group to be almost debt free by year end
- ❖ Current trading is ahead of expectations
- ❖ Overhang eliminated
- ❖ House broker increased 2005 forecast