



...“The best at what we do”...



Interims Results for six months ended 31 December 2005

Highlights of the period are:

- ❖ Turnover up 12% to £32.8m (2004 : £29.2m)
- ❖ Profit before tax & exceptional items up 70% to £1.2m (2004 : £0.7m)
- ❖ Gross margin up to 39.6% (2004 : 36.1%)
- ❖ Integration of Scottish acquisitions on target
- ❖ Capital investment program proceeding as expected at Memory Lane Cakes Ltd
- ❖ Biggest Easter on the horizon for Nicholas & Harris Ltd



MEMORY LANE CAKES

Memory Lane Cakes Ltd

- ❖ Christmas 2005 went to plan
- ❖ Investment of £1.5m to finance two large capital investments:
 - automation of sponge processing line
 - new production line for mini versions of premium boxed round cakes
- ❖ Listing for mini premium boxed cakes already secured with three retailers (to start in April)
- ❖ Re-modelling of product range has contributed to gross margin increase from 36% to 40%



Californian Cakes Ltd ("Californian")

Campbell's Cakes Ltd &

United Central Bakeries Ltd ("UCB")

- ❖ Purchased November for combined consideration of £10m
- ❖ Increasing Finsbury's product range offering
- ❖ Already making a positive contribution to the group in terms of profitability
- ❖ Archy Cunningham, previous Managing Director of UCB, now responsible for all three operations in Scotland (as planned at time of acquisition)
- ❖ Gluten free area of UCB now fully segregated – market leading facility in fast expanding niche
- ❖ Phase one of automation in Californian business completed
- ❖ Three businesses contributed 25% of total Christmas sales



Nicholas & Harris ("N&H")

- ❖ Continuing development of customer base
- ❖ Listings now secured with "big 4" multiple grocers
- ❖ Waitrose remains key customer – taking on additional lines
- ❖ N&H to produce full range of hot cross buns for Easter 2006 – sole supply status for the first time



Nestlé Branded Business (at Memory Lane)

- ❖ Performing in line with expectations
- ❖ Refining offering

Group Outlook

- ❖ Finsbury continues with its aim to be **"The best at what we do"** by pursuing the stated buy and build strategy whilst growing the core business and considering possible future acquisitions
- ❖ Management will leverage cost savings on raw materials and packaging against utility rises
- ❖ Cake market up 2% to £950m
 - Market growth driven by contemporary, premium products, with top quality ingredients – the areas where Finsbury is strongest
- ❖ In a more health conscious society, Finsbury is now visible in two previously untapped niche areas – low fat and gluten free
 - Gluten free market is worth £49m and expected to double over next 5 yrs