



FINSBURY FOOD GROUP PLC

NEWSLETTER

PRELIMINARY RESULTS OCTOBER 2005

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

“We aim to be the best at what we do”

## Preliminary Results 20 September 2005

- ❖ Nestlé sales in line with expectations
- ❖ Profit before tax & exceptional items of £1.5m (2004: £0.2m)
- ❖ Profit before tax £3.4m (2004: £0.2m)

- ❖ Gross margin increased to 38% (2004: 33%)
- ❖ Normalised EPS of 4.9p per share (2004: 0.6p)
- ❖ Dividend up 20% to 1.2p (2004: 1.0p per share)
- ❖ No net debt at the year end

## 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 & its own portfolio of managed brands

#### Highlights

- ❖ Profitability enhanced by improved operational performance
- ❖ Gross margin driven forward by focusing on high margin areas
- ❖ Operational management team strengthened
- ❖ Further capacity for sustainable growth
- ❖ Targeted capital expenditure programme to maximise efficiency
- ❖ Continued strong trading with major multiples

### Nestlé Branded Business

- ❖ New Nestlé products well received by major retailers
- ❖ Further product launches planned



### Nicholas & Harris Ltd

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

#### Highlights

- ❖ Ongoing strong relationship with Waitrose
- ❖ Listings achieved with Asda & developing relationships with other multiples
- ❖ New range of speciality breads developed using regional ingredients
- ❖ Continuing emphasis on new product development
- ❖ Current phase of capital expenditure program completed & operational
- ❖ Mike Woods appointed Managing Director of Memory Lane Cakes Ltd
- ❖ Phil Batchelor moved appointed Group Commercial Director

## Finsbury Food Group - Outlook

- ❖ Good management teams in place to deliver growth
- ❖ Strong branded opportunities
- ❖ Infrastructure & platform in place for solid growth in 2006
- ❖ Operating in markets growing at 3% and currently worth £5bn a year at retail
- ❖ Growth in indulgent & specialist products – a core Finsbury strength
- ❖ Specific acquisition opportunities identified
- ❖ On going progressive dividend policy