



FINSBURY
FOOD
GROUP



Finsbury Food Group plc
Preliminary Results
for year ended 30 June 2006

“The Best at What We Do”

For further information please contact
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Preliminary Result Highlights

- * Turnover up 24% to £73.3m (2005: £59.3m)
- * Operating profit up 75% to £2.8m (2005: £1.6m)
- * Profit before tax and exceptional items up 60% to £2.4m (2005: £1.5m)
- * Normalised earnings per share up 65% to 7.4p (2005: 4.5p)
- * Dividend increased by 25% with a recommended dividend of 1.5p per share
- * Acquisition of California Cake Company Ltd, Campbells Cake Company Ltd and United Central Bakeries Ltd during the year
- * Lisa Morgan to take over as Group Financial Director from 1 October 2006



Our Market

UK Bread & Cake Market Worth Over £4.5bn

Prepared Cakes

- * Ambient cake market worth £1.47bn & growing by 3% per annum¹
- * Pre-pack value - £943m² (up 2% year on year)
- * Finsbury's client split between multiple grocers accurately reflects the market

Speciality Breads

- * Bread & Morning goods market value circa £3.1bn³
- * Commodity sliced loaves account for £1bn (core target market for upgrading to premium loaves)
- * Organic bread sales grown by 6.1%
- * Gluten-free market is worth £49m pa⁴

Sources: ¹ Mintel, ² TNS Market Data, ³ & ⁴ Mintel

Our Outlook

- * Competitive market place
- * Some cost pressures, particularly on energy costs
- * The Finsbury business model is built to withstand these conditions
- * Continue to follow our mission to be 'The Best at What We Do'
- * Must remain nimble, flexible & smart
- * Consumer trends all point towards premiumisation . . . where the Group is waiting!

Our Businesses

Memory Lane Cakes Ltd



- * Sales of c£50.5m (capacity £60m+)
- * Supplies all major multiple grocers (except M&S)
- * Profitability enhanced by improved operational performance and exiting non-core activities
- * Further capacity for sustainable growth
- * Two major capital installations over last 12 months
 - 1) automated processing of sponge cakes
 - 2) £1m investment in new small cake line

Nicholas & Harris Ltd



- * Sales of c£9.1m (capacity £15m+)
- * Core customer is Waitrose
- * Encouraging growth with other retailers over the last 12 months
- * Majority of growth driven by organic capability of the business



United Central Bakeries Ltd

- * Sales of £4.5m in the 32 weeks to June 2006*
- * Significant capacity growth potential - to circa £30m
- * Gluten-free area is now fully segregated
- * Listing in core product ranges secured with big four major multiples
- * Seeking organic accreditation for site

California Cake Company

- * Sales of £7.9m in the 32 weeks to June 2006*
- * Low fat market stabilised therefore seeking new avenues:
 - Launch of Nestlé branded confectionary slices in September 2006
 - Seeking organic accreditation

Campbell's Cake Company

- * Sales of £1.4m in the 32 weeks to June 2006*
- * Establishing a dominant market position within premium retailer brands

* All three businesses were acquired in November 2005

