



Preliminary Results

Year ended 31st March 2005



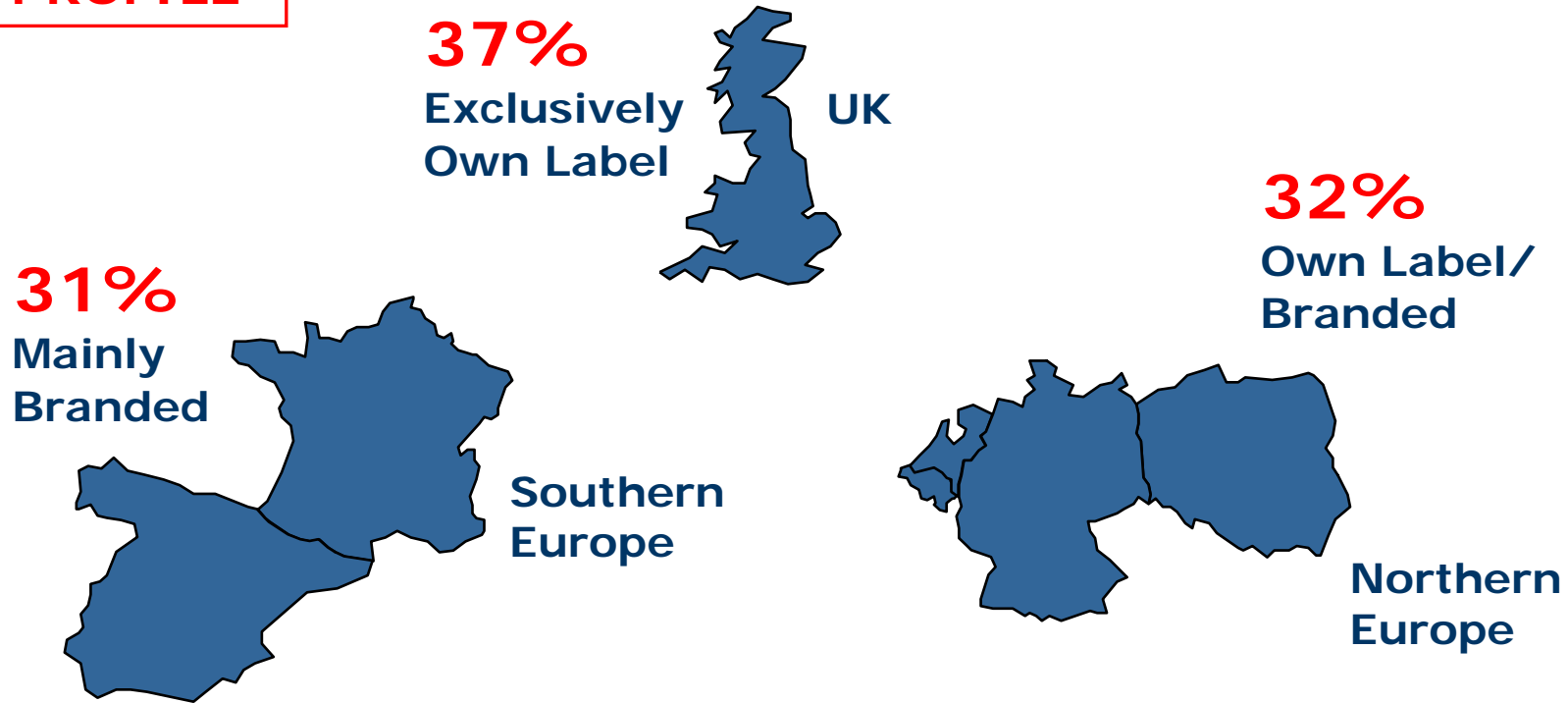
Nigel Stapleton
Chairman

AGENDA

- Uniq's Three Divisions
- Strategy
- Group Results
- Divisional Performance
- Focus on Costs
- Summary

UNIQ'S THREE DIVISIONS

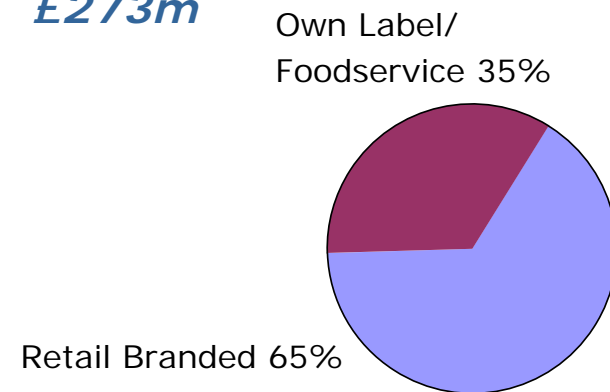
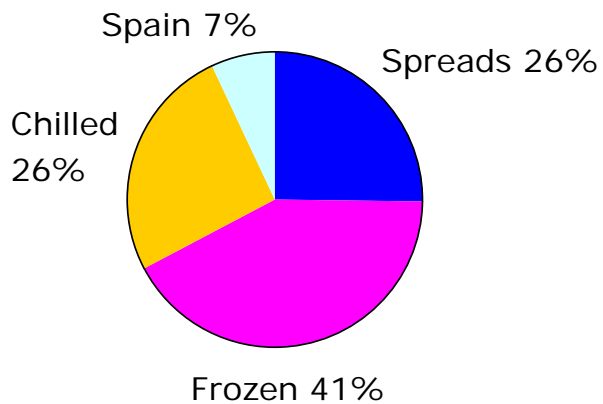
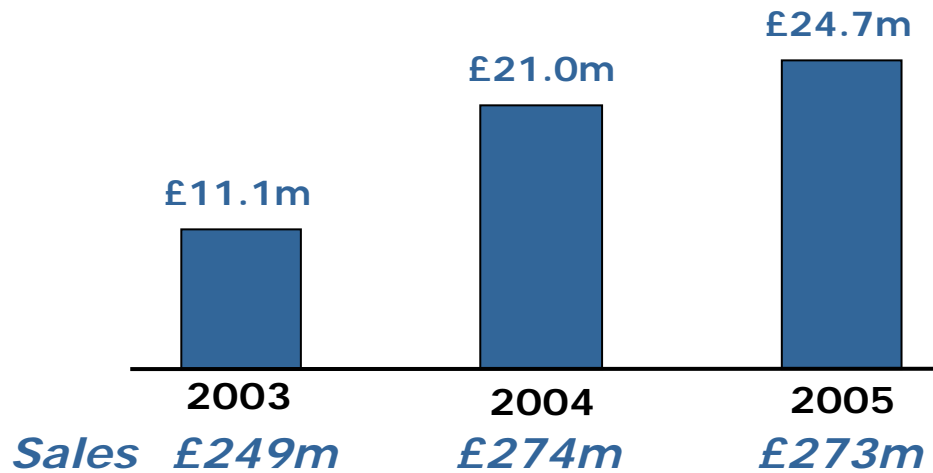
SALES PROFILE



SOUTHERN EUROPE

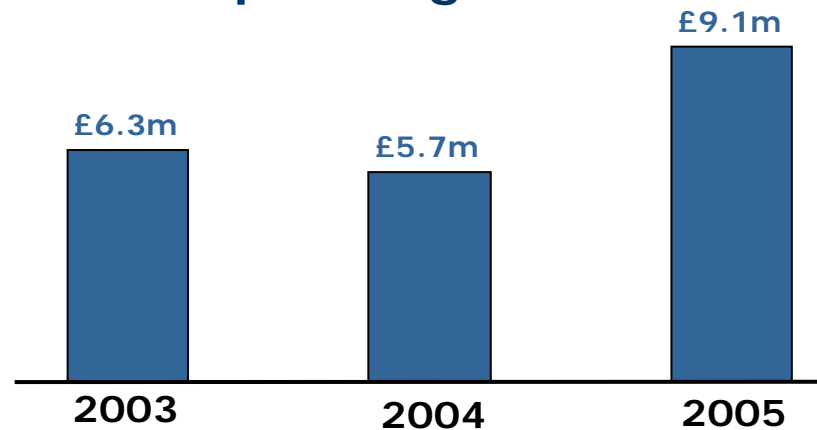


Operating Profit



NORTHERN EUROPE

Operating Profit

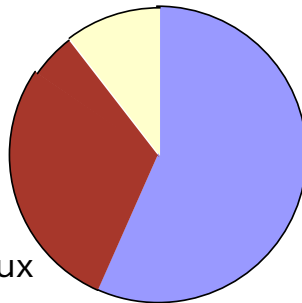


Sales £278m

£298m

£281m

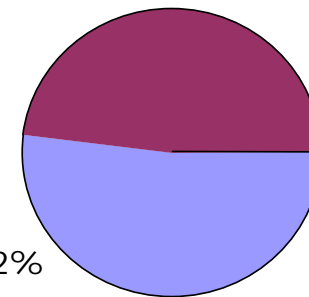
Nordic 11%



Germany/Poland 56%

Benelux
33%

Own Label/
Foodservice 48%



Retail Branded 52%

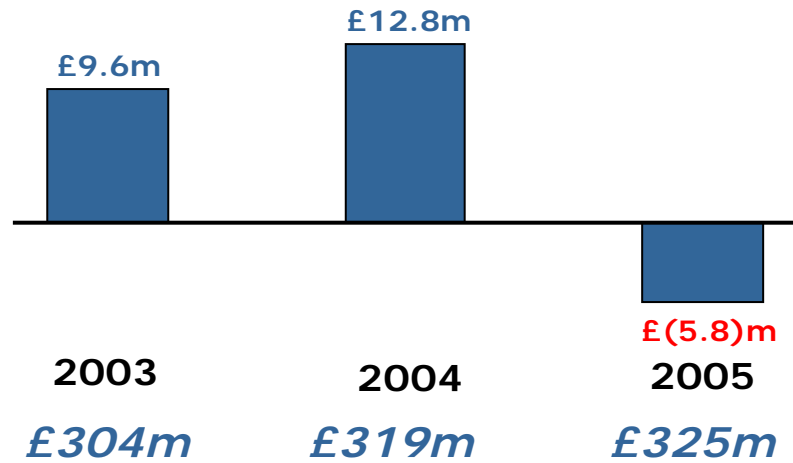
UK

ASDA



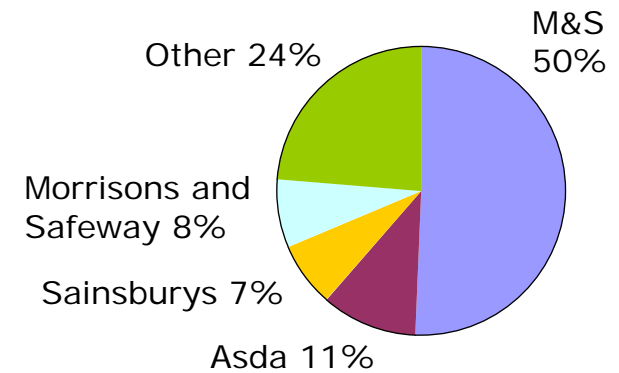
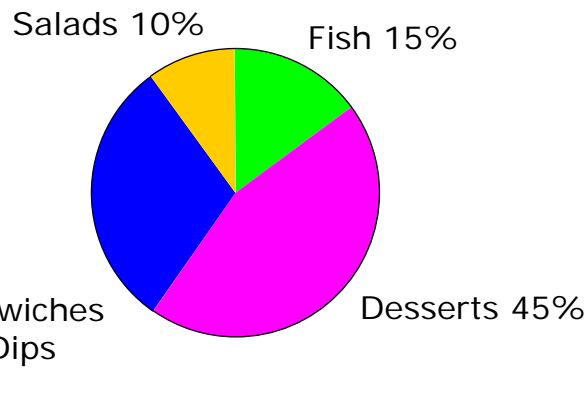
M&S

Operating Profit



Sainsbury's

TESCO



UNIQ

STRATEGY

- Separately run divisions
 - Reacting swiftly to differing local market needs
 - More cost effective
- Focus on in-country, in-category scale
- Key themes
 - Empowering divisions
 - More rigorous portfolio management
 - Faster pace of change
 - Group purchasing and finance synergies
 - New senior executive



Martin Beer
Group Finance Director

GROUP RESULTS 2004/2005

FINANCIAL OVERVIEW

Year ended 31st March 2005

| £m | | 2005 | 2004 | % |
|--------------------------------|-------------------------|--------|--------|-------|
| Turnover | – continuing | 879.0 | 891.8 | -1.4% |
| | – <i>constant rates</i> | | | -0.9% |
| Operating profit – continuing* | | 28.0 | 39.5 | -29% |
| Profit before tax* | | 22.5 | 24.7 | -9% |
| Exceptional items | | (83.1) | (29.4) | |

*Before goodwill amortisation and exceptional items

UNIQ

OPERATING PROFIT

Year ended 31st March 2005

| £m Operating Profit* | 2005 | 2004 | % Change |
|-----------------------------|--------------|--------------|-----------------|
| Southern Europe | 24.7 | 21.0 | +18% |
| Northern Europe | 9.1 | 5.7 | +60% |
| UK | (5.8) | 12.8 | n/a |
| Continuing | 28.0 | 39.5 | -29% |
| Discontinued (UK) | | (4.2) | |
| Total | 28.0 | 35.3 | -21% |

*Before goodwill amortisation and exceptional items

EXCEPTIONAL P&L CHARGES

Year ended 31st March 2005

| £m | Cash | Non-Cash | Total |
|---|---------------------|----------------------|----------------------|
| 'Fit for Purpose' costs | (2.0) | | (2.0) |
| Supply Chain restructuring | (17.7) | (14.1) | (31.8) |
| Bid Defence/other | (1.4) | | (1.4) |
| Wincanton onerous contract | (8.0) | | (8.0) |
| Discontinued site disposals | 19.4 | (10.8) | 8.6 |
| Impairment Spalding, Annan, Nordic | | (48.5) | (48.5) |
| Total | <u>(9.7)</u> | <u>(73.4)</u> | <u>(83.1)</u> |

TAX

- Effective tax rate before exceptionals and goodwill is 24%
- Will start paying tax outside UK next year
- Limited UK taxable profits stream:
 - Pension payments
 - Group costs
- Next year's effective tax rate (before exceptionals) likely to be c.35%

CASHFLOW OVERVIEW

- Net debt increased by £15.8m, mostly due to Minsterley acquisition (£19.3m)
- Capital expenditure £31m reflects initial supply chain expenditure
- Balance includes:
 - Exceptional cash outflow £14.2m
 - Additional pension outflow £10.6m

PENSIONS LIABILITY

| | £m | £m |
|---------------------------------|--------|---------------|
| Liability at March 2004 | | <u>(93.7)</u> |
| Actuarial Change in assumptions | (37.5) | |
| Investment outperformance | 27.4 | (10.1) |
| Special UK contributions | | 8.5 |
| Other | | <u>(2.0)</u> |
| Liability at March 2005 | | <u>(97.3)</u> |

BALANCE SHEET

| | March 05 £m | March 04 £m |
|-----------------------------|----------------|----------------|
| Net assets | 218.5 | 299.5 |
| Pension liability | (97.3) | (93.7) |
| Net debt | (28.3) | (12.5) |
| Capital and reserves | 92.9 | 193.3 |
| Net Debt Gearing % | 30.5% | 6.4% |

*Before exceptional items, goodwill amortisation and prior year tax items

EARNINGS PER SHARE

| Pence per share | 2005 | 2004 | % |
|-----------------------|-------------|-------------|-------------|
| Basic (loss)/earnings | (73.7)p | (5.2)p | n/a |
| Adjusted earnings* | 15.2p | 16.7p | - 9% |
| Dividend | | | |
| - Interim | 2.5p | 2.3p | + 9% |
| - Final | 4.5p | 4.4p | + 2% |
| | <u>7.0p</u> | <u>6.7p</u> | <u>+ 4%</u> |

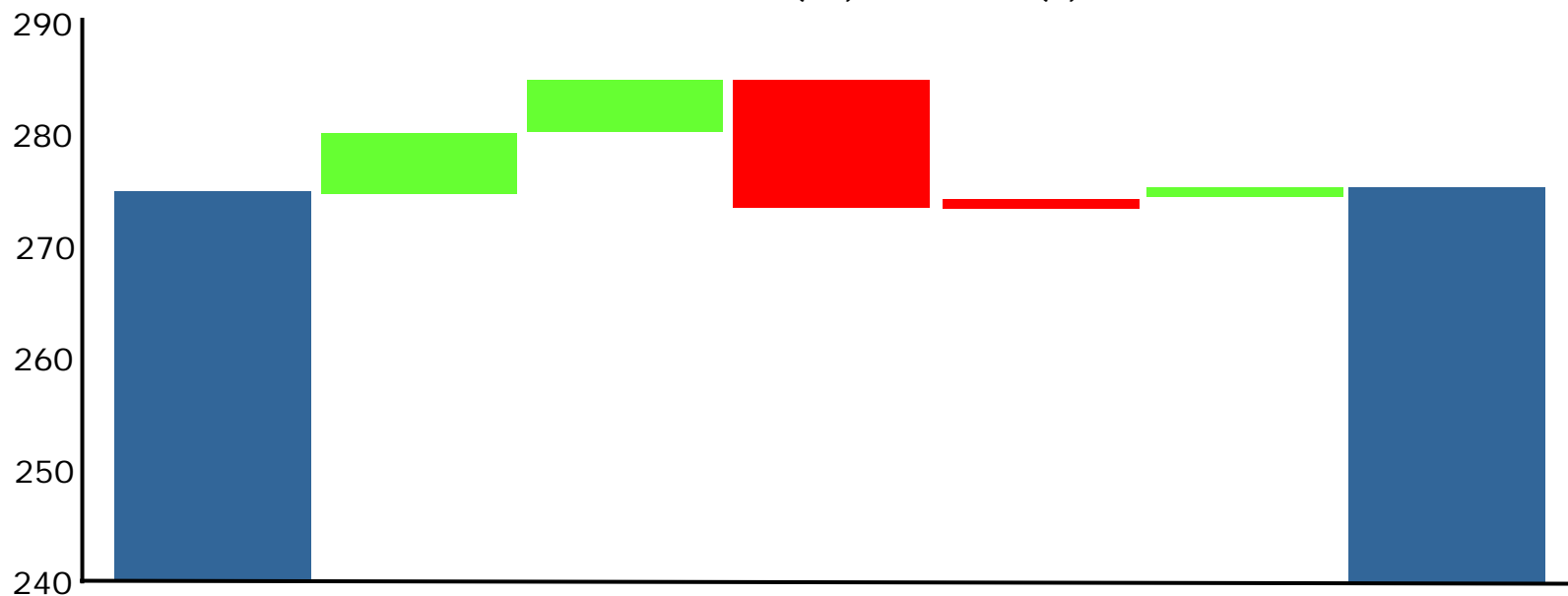
*Before exceptional items, goodwill amortisation and prior year tax items

DIVISIONAL PERFORMANCE

SOUTHERN EUROPE

Sales Bridge

| £m | 03/04 | Spreads | Chilled | Frozen | Spain | Exchange/ Interco Transfer | 04/05 |
|----------|------------|-----------|-----------|-------------|------------|----------------------------------|------------|
| 1st Half | 126 | +5 | +2 | (5) | (1) | (4) | 123 |
| 2nd Half | 148 | +1 | +3 | (7) | - | +5 | 150 |
| | <u>274</u> | <u>+6</u> | <u>+5</u> | <u>(12)</u> | <u>(1)</u> | <u>+1</u> | <u>273</u> |



SOUTHERN EUROPE

Operating Profit

| £m | 2005 | 2004 | % |
|--------------------------|-------------|-------------|------------|
| Operating profit* | 24.7 | 21.0 | 18% |

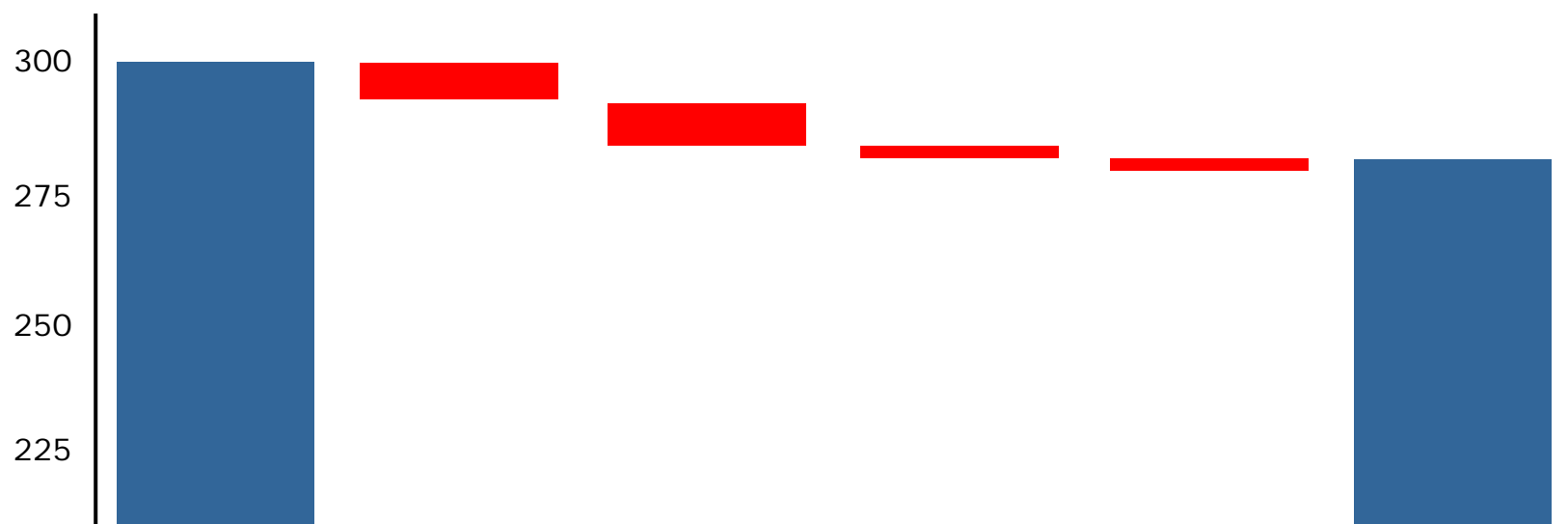
- Third year of double digit profit growth
- Benefit from 53rd week £1m
- Tough market with margin pressure from Government and trade
- £3.1m reduction in marketing reinvested in price and promotions
- Highly successful launch of Hisséo frozen fish ready meals
- Operating margin improved as a result of:
 - Continued strong group purchasing performance
 - Excellent operational control
 - Control of overhead

*Before goodwill amortisation and exceptional items

NORTHERN EUROPE

Sales Bridge

| £m | 03/04 | Germany Poland | Benelux/ Sandwiches | Nordic | Exchange | 04/05 |
|----------|------------|-------------------|------------------------|------------|------------|------------|
| 1st Half | 157 | (6) | (5) | (2) | (6) | 138 |
| 2nd Half | 141 | - | (2) | - | +4 | 143 |
| | <u>298</u> | <u>(6)</u> | <u>(7)</u> | <u>(2)</u> | <u>(2)</u> | <u>281</u> |



NORTHERN EUROPE

Operating Profit

| £m | 2005 | 2004 | % |
|--------------------------|------------|------------|------------|
| Operating profit* | 9.1 | 5.7 | 60% |

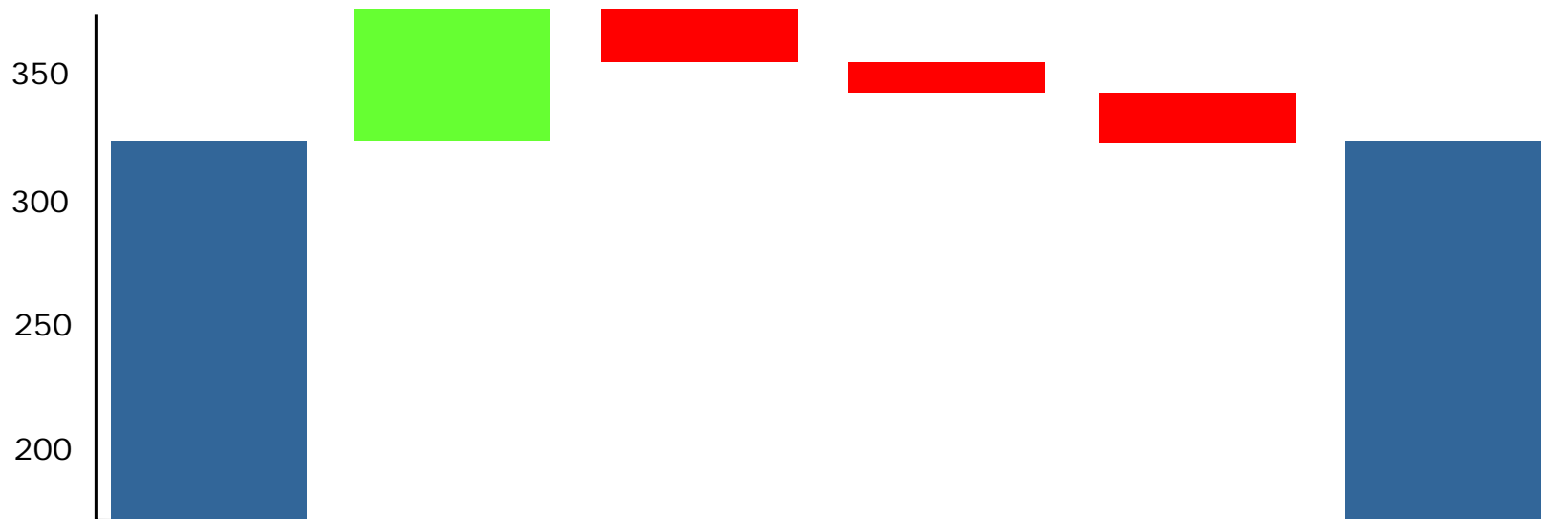
- Profit margin improved from 1.9% to 3.2%
- Includes £1.6m Dutch pension benefit
- Benefit from 53rd week £1m
- Balance of improvement from:
 - Exiting unprofitable business
 - Supply chain consolidation
 - Continued strong group purchasing performance
 - Operational efficiency gains

*Before goodwill amortisation and exceptional items

UK*

Sales Bridge

| £m | 03/04 | Minsterley | Sandwiches/ Salads | Fish | Desserts | 04/05 |
|----------|------------|------------|-----------------------|------------|-------------|------------|
| 1st Half | 163 | 21 | (10) | (3) | (8) | 163 |
| 2nd Half | 156 | 29 | (8) | (6) | (9) | 162 |
| | <u>319</u> | <u>50</u> | <u>(18)</u> | <u>(9)</u> | <u>(17)</u> | <u>325</u> |



*Continuing operations

UK SALES MOVEMENT ANALYSIS

| | 1st Half £m | 2nd Half £m | Full Year £m |
|---|----------------|----------------|-----------------|
| Total Wins and Losses Impact | (8) | 1 | (7) |
| Devizes closure | (1) | (4) | (5) |
| Cadburys/SE Fish Transfers | (2) | (8) | (10) |
| Minsterley | 21 | 29 | 50 |
| Rate of Sale (innovation/footfall) | (10) | (12) | (22) |
| Total UK | - | 6 | 6 |

UK*

Operating Profit

| £m | 2005 | 2004 |
|---------------------------|--------------|-------------|
| Operating profit** | (5.8) | 12.8 |

- Successful integration of Minsterley, £(3.4)m loss as expected
- Downsized Spalding (£1.3m cost)
- Balance of profit decline due to:
 - Net business losses - £22m of sales
 - Weaker rate of sale (footfall/innovation) - £22m of sales
- Won £20m pa Tesco desserts contract (starts May 05)
- Closed loss-making Devizes in October 04 as planned
- Newton Abbott to close in May 05

*Continuing operations

**Before goodwill amortisation and exceptional items

FOCUS ON COST

'FIT FOR PURPOSE'

- Southern Europe
 - Merging chilled and frozen sales and marketing
 - Rolling factory simplification programme
- Northern Europe
 - Reduce headcount by over 200
 - Half in sales and admin, half in operations
- UK/Group
 - Administrative efficiencies
 - Process simplification
 - Reduce headcount by over 100

'FIT FOR PURPOSE'

Split by Division

| £m | Total | Southern Europe | Northern Europe | UK/ Group |
|--------------------------------------|-------|-----------------|-----------------|-----------|
| Ongoing savings generated p.a. | 20.0 | 5.0 | 10.0 | 5.0 |
| Exceptional P&L Cash costs | 30.0 | 5.5 | 18.0 | 6.5 |
| Exceptional P&L Asset write-downs | 8.0 | - | 7.6 | 0.4 |

SUPPLY CHAIN

- Closed 5 plants by May 05
- Northern Europe fish project to complete Sept 05
- Desserts supply chain consolidation key part of UK profit improvement plan
- Being reviewed in light of new Tesco business
- Still anticipate that together can achieve £17m contribution



Nigel Stapleton
Chairman

IMMEDIATE ACTIONS

- MDs empowered to deliver growth strategy
- Progress with management change
- Initiated 'Fit for Purpose' programme
- Rigorous review of sub-scale categories
 - Decided to exit Nordic
- Build scale in chosen categories
- Focus on UK turnaround

UK INITIATIVES

- Improved innovation and category management capability
- Starting to deliver business wins:
 - M&S category management
 - M&S Cafe Revive
 - Tesco desserts
- Pushing through price increases
- UK desserts supply chain plan cost base being reviewed
- 'Fit for Purpose' delivering lower admin cost base
- Broadening customer base
(e.g. Tesco from 2% to 8% of sales)

OUTLOOK

- 2005/06 will be challenging
 - Input cost inflation
 - Tough retail climate
- Cost initiatives gain momentum during the year
- **Southern Europe** - recovery complete, return to normal growth
- **Northern Europe** - set to benefit from cost reduction programme
- **UK** - stabilised business positioned for growth for the second half



Preliminary Results

Year ended 31st March 2005
