

Preliminary Results for the 53 Weeks ended
3rd April 2004

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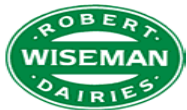


Highlights

- Volumes up 15.3% to 1.18 billion litres
- Operating profit up 20.9% to £30.3 million
- Earnings per share up 26.6% to 25.50 pence
- Dividend up 26.1% to 7.25 pence per share
- New business gains with multiples
- Droitwich Spa dairy expansion completed
- Depot to be constructed to service South East of England
- Debt eliminated, net cash of £4.3 million at year end



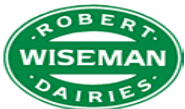
Operating Review



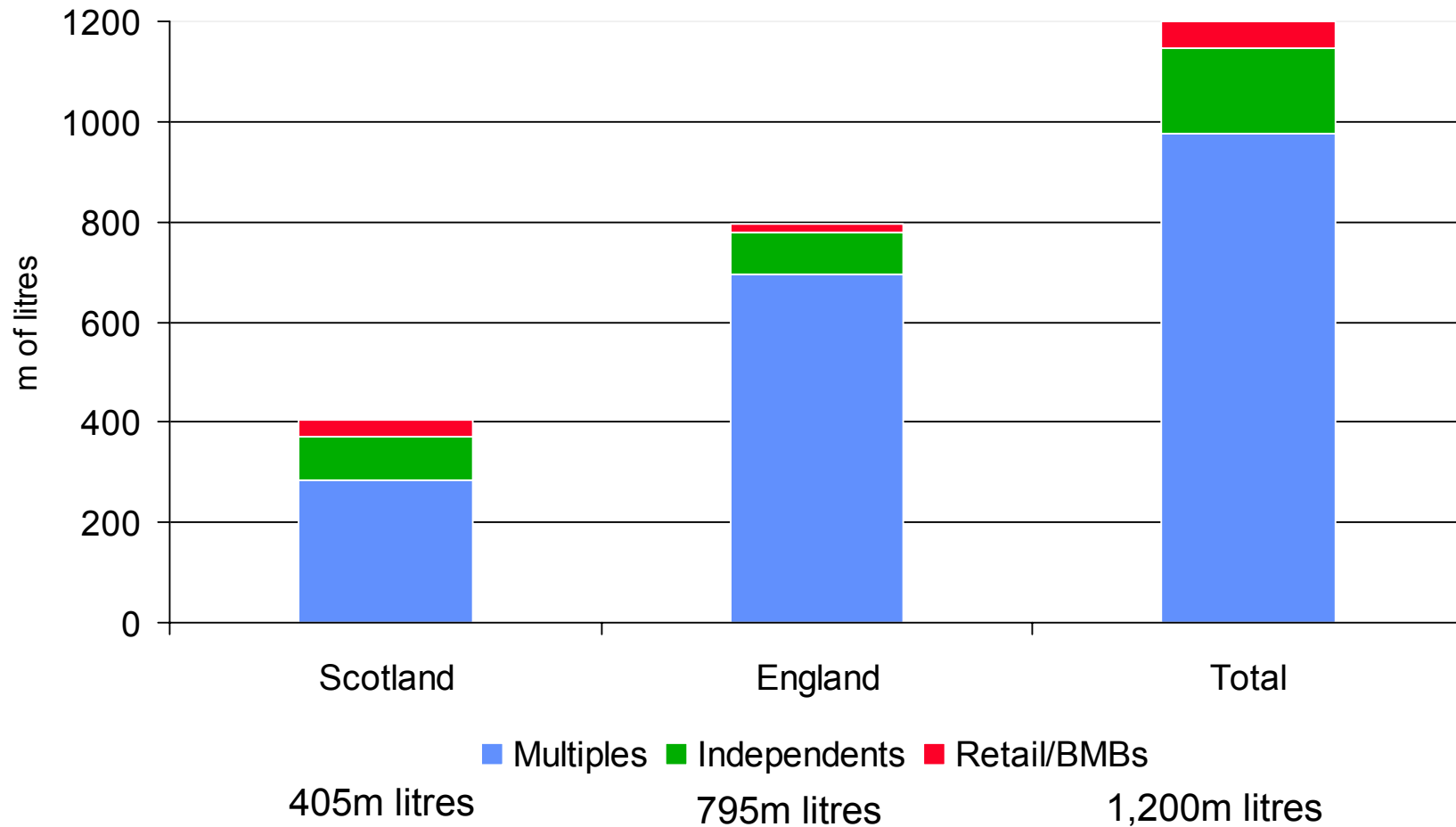
Operating Review

Sales/Marketing

- Record volumes with sales of 1.18 billion litres
- Annualised current volumes in excess of 1.20 billion litres
- Started supplying additional Tesco stores in April
- Started supplying additional Netto stores in January
- Strong sales performance across multiple retail customers
- Positive meeting with Morrison, post Safeway acquisition
- Retained and grown volumes with middle ground retailers
- Scotland now accounts for less than 32% of volumes sold (April 2004)



Current Sales



Note - multiples reflect all multiple retailers not just "supermarkets"

Operating Review

Sales/Marketing (cont'd)

- Bulk cream prices weakened in this calendar year
- Bulk cream prices averaged 10% lower than last quarter of calendar year 2003 in the current year
- Weakness of Euro and lower demand has not helped cream prices in the first quarter of current year
- Launched “the One”, a 1% fat milk
- Television campaign in Scottish and Granada regions
- Encouraged by initial sales and listings with multiples
- Actively reviewing national roll out



the One



Operating Review

Facilities (Droitwich Spa)

- Increased capacity to 500 million litres during year with £7million spend
- Now our, and probably the world's, largest liquid dairy
- Milk volumes of 368 million litres in the year
- Now packs 55% of our pot cream requirements
- As a result of additional business this is now running at over 80% of capacity
- Significant positive impact on performance of Group



Operating Review

Facilities (Other Dairies)

- Investment continues in other dairies with £2 million spend in year
- Maintaining and improving quality and competitiveness of all facilities remains the objective
- Reverse Osmosis plant for Glasgow dairy commissioned
- Replicated lower wastage and effluent levels achieved at Droitwich Spa



Operating Review

Facilities (Future Options)

- Plans for increasing capacity across Group are at an advanced stage
- Continue to consider options for future:
 - increase capacity of existing facilities
 - review options regarding new dairy
- Expect plans to be finalised over the next few months
- Anticipate new capacity to be available during 2006
- Confident of continuing growth with retailers



Operating Review

Distribution

- Existing facilities accommodated 15% uplift in volumes
- Capital spend of £9 million on vehicles to service new business and replace existing fleet
- Priority to extend coverage to service South East of England
- Objective is to acquire site and build a depot facility to be operational in Spring 2005, at a likely cost of approximately £7.0 million
- Construction of previously announced Durham depot to follow South East depot



Operating Review

Milk Procurement

- Continue to pay highest price for raw milk supplies of major processors
- Examined likely impact of CAP Reforms
- Balanced supply between direct and co-operative sources still appropriate
- Maintaining 60% of supplies from direct sources required more direct suppliers with larger more efficient farms
- Reduction in commodity prices over last five months has led to concerns
- Sustainability of current milk prices being reviewed as intimated to suppliers



Operating Review

Milk Price Table - Liquid Contracts

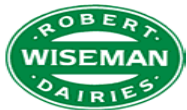
	Pence per litre
Wiseman	20.12
Arla	19.70
Dairy Crest	19.60
ACC	19.33

Source - Dairy Industry Newsletter for March 2004

Represents price paid for direct supplies only



Financial Results



Profit and Loss

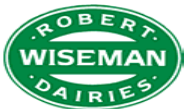
	% Change	53 weeks 2003/04	52 weeks 2002/03
Volume	+15.3%	1,185m	1,028m
Turnover	+21.3%	£474.5m	£391.0m
Operating profit pre goodwill	+20.5%	£31.0m	£25.7m
Operating margin pre goodwill		6.5%	6.6%
Operating profit post goodwill	+20.9%	£30.3m	£25.1m
Operating profit per litre		2.56ppl	2.44ppl
Interest payable		£1.4m	£2.3m
Profit before tax	+26.8%	£28.9m	£22.8m
Effective tax rate		31.0%	31.0%
Earnings per share	+26.5%	25.50p	20.15p
Dividend per share	+26.1%	7.25p	5.75p



Like for Like Increases

Adjusted to eliminate 53rd week year

	% Change	2003/04	2002/03
Volume	+13.1	1,163m	1,028m
Turnover	+19.1	£465.5m	£391.0m
Operating profit	+18.3	£29.7m	£25.1m
Pre-Tax profit	+24.6	£28.4m	£22.8m
EPS	+24.1	25.00p	20.15p



Balance Sheet Review

	2004	2003
	£m	£m
Goodwill	2.5	3.1
Tangible fixed assets	144.1	142.1
Capital expenditure	19.7	20.6
Depreciation	16.1	14.9
Trade debtors	32.9	25.9
Current assets	59.4	40.2
Net current liabilities	(24.0)	(29.1)
Gearing	-	19%
Net assets	104.6	89.3



Capital Expenditure

	2004 Actual £m	2005 Budget £m
Dairies	7.1	9.5
Depots	0.8	8.0
Vehicles	9.8	7.5
Other assets	2.0	2.5
Total	19.7	27.5



Cash Flow Review

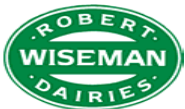
	2003/04 £m	2002/03 £m
Inflow from operating activities	54.7	42.7
Interest payments (net)	(1.3)	(2.2)
Tax paid	(5.9)	(3.8)
Capital expenditure (net)	(22.0)	(17.1)
Dividends paid	(4.8)	(3.9)
Outflow from financing	<u>(9.8)</u>	<u>(10.7)</u>
Increase in cash	<u>10.9</u>	<u>5.0</u>

Note - Cash flow impacted by working capital movements that are expected to reverse.



Share Award

- Award of 100 Shares to all employees at 28 March 2004
- Represented recognition of tenth anniversary of flotation
- Utilising Share Incentive Plan to grant shares
- Cost of £0.9 million across 3,300 employees



Financial Reporting

- To take effect in 2006 financial year
- Will impact the 2005 comparatives when 2006 results are reported
- Formed working party to work with external auditors to assess any impact
- No significant amendment anticipated to how results are reported



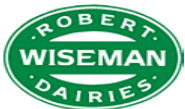
FRS 17 Implications

- Only exposure relates to Aberdeen Milk Company acquired in 1999
- Final salary scheme closed in 1994 but responsibilities were assumed by Group
- Deficit under FRS 17 reduced by £0.2 million
- Net of deferred tax asset liability is £0.7 million
- Contributions of £0.2 million per annum to address shortfall

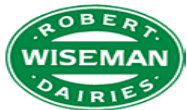


Office of Fair Trading

- Appeal lodged by Express against OFT on Chapter II decision
- Competition Appeals Tribunal (“CAT”) determined it has jurisdiction to review OFT decision
- CAT expected to hold hearing later in the year to progress matter
- We will continue to defend position
- Chapter I case reopened in August 2003
- We await developments as to whether case is to be closed or pursued



Market Overview



GB Liquid Milk Market

	Total (million litres)	% Market
1. Arla	1,840	32.3
2. Dairy Crest	1,430	25.1
3. Robert Wiseman	1,200	21.1
4. ACC	600	10.5
Others	630	11.1
TOTAL	5,700	100.0

Source: Dairy Industry Newsletter and Wiseman estimates (Wiseman current figure annualised)



Market Shares By Sector

	Doorstep	Middle-Ground	Super-markets	Total
Arla	390	490	960	1,840
Dairy Crest	400	280	750	1,430
Wiseman	50	290	860	1,200
Others	100	1,130	-	1,230
Total	940	2,190	2,570	5,700

Source: Dairy Industry Newsletter and Wiseman estimates - Supermarkets include Tesco, Sainsbury, Asda, Safeway, Somerfield, Morrison, Waitrose and M&S



Supermarkets - Market Shares

	m ltrs 1999	%	m ltrs 2001	%	m ltrs 2004	%
Wiseman	475	21	530	22	860	33
Arla	1,225	54	1,210	50	960	38
Dairy Crest	570	25	660	28	750	29
TOTAL	2,270	100	2,400	100	2,570	100

Source: Dairy Industry Newsletter and Wiseman estimates- Supermarkets include Tesco, Sainsbury, Asda, Safeway, Somerfield, Morrison, Waitrose and M&S

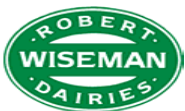
Note: Arla and Express volumes combined for 1999 and 2001. Dairy Crest and Unigate volumes combined for 1999.



Market Shares

	Tesco %	Morrison %	Sainsbury %	Asda %	S'field %
Wiseman	40	33	20	40	30
Arla	40	34	30	50	70
Dairy Crest	20	33	50	10	-
	100	100	100	100	100

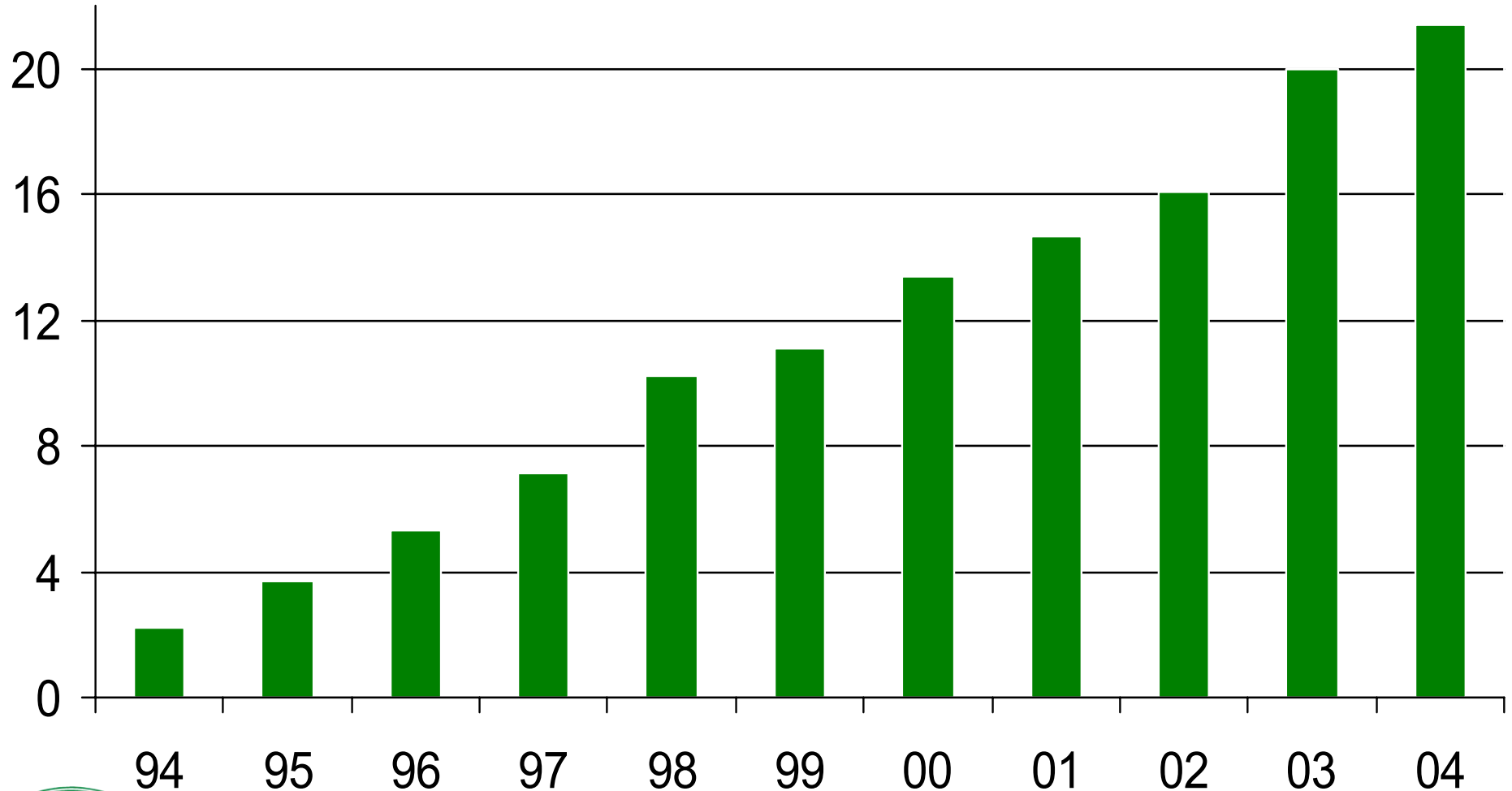
Source: Dairy Industry Newsletter and Wiseman estimates



Summary & Outlook



Our Market Share (% of GB)



How We Have Grown

	2004	1994
Volumes	1,185m	138m
No of employees	3,300	500
Dairies	5	2
Depots	13	6
Turnover	£474.5m	£59.7m
Profit before tax	£28.9m	£4.8m
Earnings per share	25.50p	6.64p
Share Price	?????	£1.00

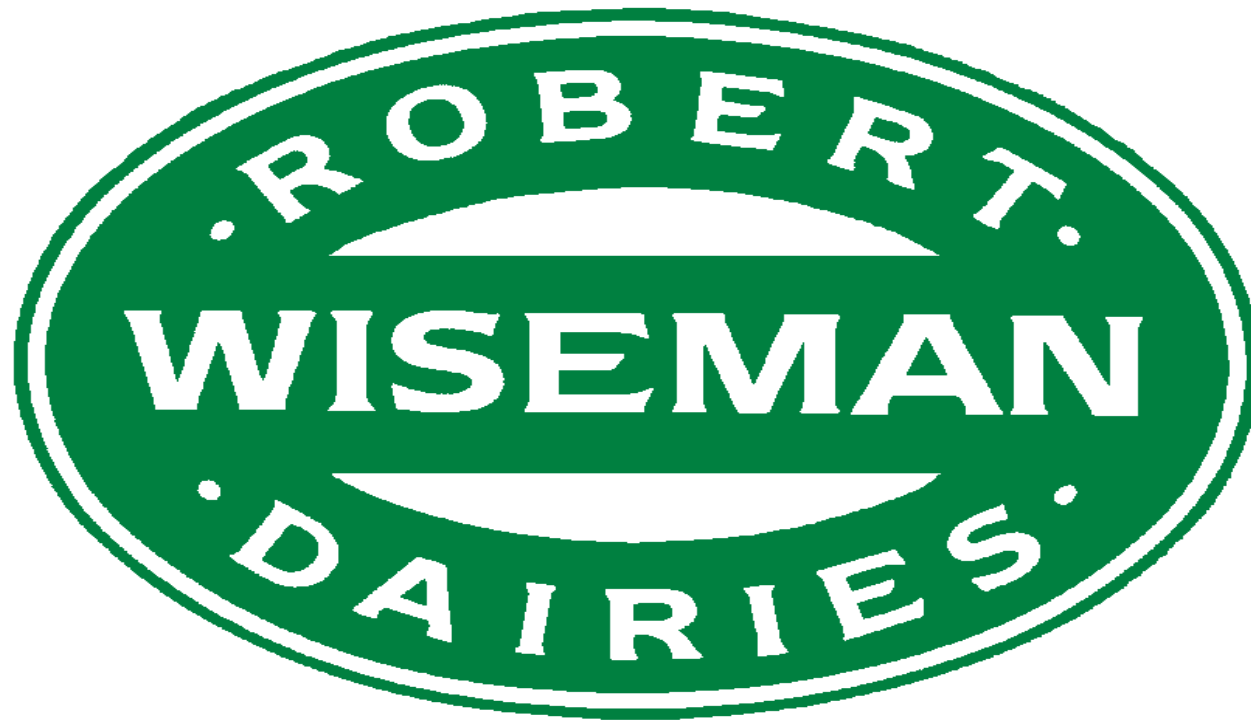
Cumulative capital expenditure of over £230m



Summary & Outlook

- Volume, turnover and profits at new record levels
- Growth with Tesco and Netto already secured
- Droitwich Spa dairy increased capacity to 500m litres
- Objective is to target further growth with multiples
- Roll out of “the One”
- Strong balance sheet to finance capital expenditure and any other opportunities
- Foundations for continued success in place
- Remain confident we can continue to grow given our superior service and product quality





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3rd April 2004